

RESOLUTION NO. 16-2006

A RESOLUTION OF THE CITY OF ABILENE SUPPORTING THE ATMOS CITIES STEERING COMMITTEE AND CONSULTANT FINDINGS THAT THE EXISTING NATURAL GAS DISTRIBUTION RATES OF ATMOS MID-TEX SHOULD BE REDUCED; SUPPORTING THE POSITION THAT ATMOS ENERGY CORP., MID-TEX DIVISION, SHOULD REDUCE ITS EXISTING RATES WITHIN THE CITY, ADOPT SPECIFIC NEW RATES AND CEASE COLLECTING ALL GRIP SURCHARGES; ORDER ATMOS MID-TEX TO REIMBURSE THE CITY FOR ITS REASONABLE COSTS INCURRED IN THIS RATEMAKING PROCEEDING OR APPEAL; AND AUTHORIZING THE ATMOS CITIES STEERING COMMITTEE TO ACT ON BEHALF OF CITY AND INTERVENE IN ANY PROCEEDINGS BEFORE ADMINISTRATIVE OR JUDICIAL BODIES.

WHEREAS, the City of Abilene, Texas (City) is a regulatory authority under the Gas Utility Regulatory Act ("GURA") and has original jurisdiction over the gas utility rates of Atmos Energy Corp., Mid-Tex Division (the "Company"); and

WHEREAS, the City has the authority under §§103.001 and 104.151, GURA, to initiate a proceeding to determine whether the existing rates of a gas utility are unreasonable or in any way in violation of any provision of law; and

WHEREAS, the City previously authorized participation with the Atmos Cities Steering Committee (ACSC) (approximately 80) cities; and

WHEREAS, on November 3, 2005, the City ordered the Company to show cause regarding the reasonableness of its existing natural gas distribution rates within the City; and

WHEREAS, the Company filed its rate filing package with the City on or about December 31, 2005; and

WHEREAS, the City's representatives obtained additional information from the Company through written requests for information; and

WHEREAS, the City's consultants and representatives through cooperative efforts under the direction of the ACSC have reviewed the rate filing package and responses to information requests and have made a recommendation to the City that the rates to be charged by the Company within the City should be lowered; and

WHEREAS, it is the City's opinion that the Company's current rates are not reasonable; and

WHEREAS, prior to considering an ordinance to lower the rates charged by Atmos, attorneys for ACSC and Atmos entered into an agreement that will result in the rates being considered by the Railroad Commission for final disposition.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

PART 1. That the City of Abilene authorizes the ACSC to continue to act upon its behalf and supports the continued efforts of the ACSC to obtain just and reasonable rates for the Atmos Mid-Tex Region. Specifically the City approves the Agreement to Consolidate and Synchronize Commission Proceedings as negotiated by the attorneys for the ACSC and Atmos.

PART 2. That the City is authorized to intervene in any appeal affecting the City's rates filed at the Railroad Commission of Texas and to otherwise participate in any litigation associated with the Company's rates charged in the City, in conjunction with the ACSC.

PART 3. That the Company shall promptly reimburse ACSC for ratemaking costs associated with the City's activities related to the show cause proceeding, including appeals to the Railroad Commission or Courts, in accordance with GURA §103.022.

PART 4. That this Resolution shall become effective immediately.

PASSED this 11th day of May 2006.

ATTEST:

APPROVED:



Jo Moore, City Secretary



Norman Archibald, Mayor

APPROVED:



Sharon K. Hicks
City Attorney

Attachment A

Atmos Energy Corp., Mid-Tex Division

Ordered Rates

Line No.	Rate R – Summary	Ordered Rates
1	Customer Charge	\$ 7.50
2		
3	Block 1 Commodity Rate (0-3 Mcf)	\$ 1.1915 per Mcf
4	Block 2 Commodity Rate (over 3 Mcf)	0.9415 per Mcf
5		
6	Average Monthly Bill (6 Mcf without Gas Cost)	\$ 14.72 per Month
7		
8	Average Monthly Bill (6 Mcf with Gas Cost)	\$ 34.75 per Month
9		
10		
11		
12	Rate C – Summary	Ordered Rates
13		
14	Customer Charge	\$ 12.50
15		
16	Block 1 Commodity Rate (0-30 Mcf)	\$ 0.7417 per Mcf
17	Block 2 Commodity Rate (30-350 Mcf)	\$ 0.4917 per Mcf
18	Block 3 Commodity Rate (Over 350 Mcf)	\$ 0.2417 per Mcf
19		
20	Average Monthly Bill (30 Mcf without Gas Cost)	\$ 36.76 per Month
21		
22	Average Monthly Bill (30 Mcf with Gas Cost)	\$ 136.78 per Month
23		
24		
25		
26	Rate T – Summary	Ordered Rates
27		
28	Customer Charge	\$ 300.00
29		
30	Block 1 Commodity Rate (0-1,500 MMBtu)	\$ 0.4977 per MMBtu
31	Block 2 Commodity Rate (Next 3,500 MMBtu)	\$ 0.3477 per MMBtu
32	Block 3 Commodity Rate (Next 45,000 MMBtu)	\$ 0.1977 per MMBtu
33	Block 4 Commodity Rate (Over 50,000 MMBtu)	\$ 0.0477 per MMBtu
34		
35	Average Monthly Bill (300 MMBtu without gas cost)	\$ 475.07 per Month
36		
37	Average Monthly Bill (300 MMBtu with gas cost)	\$ 1,474.93 per Month