

**RESOLUTION #02-18**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DE LEON, TEXAS, (“CITY”) APPROVING AND ADOPTING RATE SCHEDULE “RRM – RATE REVIEW MECHANISM” FOR ATMOS ENERGY CORPORATION, MID-TEX DIVISION AS A SUBSTITUTION FOR THE ANNUAL INTERIM RATE ADJUSTMENT PROCESS DEFINED BY SECTION 104.301 OF THE TEXAS UTILITIES CODE; ADOPTING A SAVINGS CLAUSE; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY.**

WHEREAS, the City of De Leon, Texas (“City”) is a gas utility customer of Atmos Energy Corp., Mid-Tex Division (“Atmos Mid-Tex” or “the Company”), and a regulatory authority with an interest in the rates and charges of Atmos Mid-Tex; and

WHEREAS, the City is a regulatory authority under the Gas Utility Regulatory Act (“GURA”) and under § 103.001 of GURA has exclusive original jurisdiction over the rates, operations and services of Atmos Mid-Tex within the municipality; and

WHEREAS, the City previously approved a Rate Review Mechanism (“RRM”) Tariff that allows for an expedited rate review process to facilitate annual changes in gas utility rates reflective of Atmos Mid-Tex’s annual system-wide cost of providing service; and

WHEREAS, the RRM process permits City review of requested rate changes and provides for a review of Atmos Mid-Tex’s total cost of service on an annual basis; and

WHEREAS, the initial RRM tariff expired in 2017; and

WHEREAS, the new RRM tariff attached to this Resolution reflects the ratemaking standards and methodologies authorized by the Railroad Commission in the most recent Atmos rate cases, G.U.D. No. 10170; and G.U.D. No. 10580;

WHEREAS, the renewal of the RRM process may avoid costly rate case litigation; and

WHEREAS, the attached Rate Schedule “RRM – Rate Review Mechanism” (“RRM Tariff”) provides for a reasonable expedited rate review process that has been shown to result in just and reasonable gas utility rates; and

WHEREAS, the attached RRM Tariff as a whole is in the public interest;

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

Section 1. That the findings set forth in this Resolution are hereby in all things approved.

Section 2. That the City Council finds that the RRM Tariff, **which is attached hereto and incorporated herein as Attachment A**, is reasonable and in the public interest, and is hereby in force and effect in the City.

Section 3. That to the extent any Ordinance or Resolution previously adopted by the City Council is inconsistent with this Resolution, it is hereby repealed.

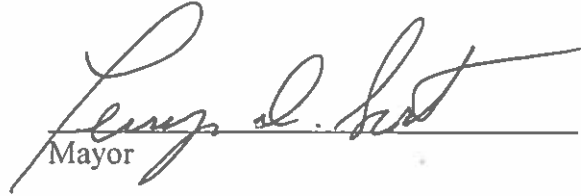
Section 4. That the meeting at which this Resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.


Section 5. That if any one or more sections or clauses of this Resolution is judged to be unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution and the remaining provisions of the Resolution shall be interpreted as if the offending section or clause never existed.


Section 6. That this Resolution shall become effective from and after its passage.

Section 7. That a copy of this Resolution shall be sent to Atmos Mid-Tex, care of Christopher Felan, Vice President of Rates and Regulatory Affairs, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1800, Dallas, Texas 75240.

READ, PASSED, APPROVED AND ADOPTED this 9<sup>th</sup> day of April, 2018.

  
\_\_\_\_\_  
Mayor

ATTEST:  
  
\_\_\_\_\_  
City Secretary



The seal of the City of DeLeon, Texas, is circular with a double-line border. Inside the border, the words "CITY OF DELEON" are written in an arc at the top and "TEXAS" at the bottom. In the center of the seal is a five-pointed star.