

CITY OF TERRELL, TEXAS

RESOLUTION NO. 539

AN RESOLUTION OF THE CITY OF TERRELL, TEXAS, DENYING ATMOS ENERGY CORP., MID-TEX DIVISION'S REQUEST FOR A 2005 INTERIM RATE ADJUSTMENT; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS ADOPTED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; AND PROVIDING FOR NOTICE OF THIS RESOLUTION TO ATMOS ENERGY CORP., MID-TEX DIVISION.

WHEREAS, on or about March 31, 2006, Atmos Energy Corp., Mid-Tex Division ("Atmos Mid-Tex") filed with the City of Terrell, Texas (the "City"), a request for a 2005 Interim Rate Adjustment ("IRA") based on the difference between the value of the invested capital for Atmos Mid-Tex as of December 31, 2005 dedicated to public use and the value of the invested capital for Atmos Mid-Tex as of December 31, 2004; and

WHEREAS, the City has original jurisdiction to evaluate Atmos Mid-Tex's request as it pertains to customers of Atmos Mid-Tex served from the distribution facilities located within the City, pursuant to Sections 102.011(b) and 103.001 of the Texas Utilities Code;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TERRELL, TEXAS, THAT:

SECTION 1

That the Company's request for a 2005 IRA with respect to customers served from the Company's distribution facilities located inside the City, as part of the Company's system-wide gas utility system, is **denied** in all respects.

SECTION 2

That this Resolution shall become effective immediately from and after its passage, as the law and charter in such cases provide.

SECTION 3

That it is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.

SECTION 4

That a copy of this Resolution, constituting final action on the Atmos Mid-Tex's request for a 2005 interim rate adjustment, shall be forwarded to the Atmos Mid-Tex's designated representative within 10 days at the following address: Richard Reis, Atmos Energy Corp., Mid-Tex Division, 5420 LBJ Freeway, Suite 1800, Dallas, Texas, 75240.

DULY PASSED and approved by the City Council of Terrell, Texas, on this the 18th day of April, 2006.

Frances Anderson, Mayor

Approved as to Form:

John Rounsavall, City Secretary

