

**RESOLUTION NO. 594**

**RESOLUTION OF THE CITY OF TERRELL, SUSPENDING THE OCTOBER 25, 2007, EFFECTIVE DATE OF ATMOS ENERGY CORP., MID-TEX DIVISION REQUESTED RATE CHANGE TO PERMIT THE CITY TIME TO STUDY THE REQUEST AND TO ESTABLISH REASONABLE RATES; APPROVING COOPERATION WITH ATMOS CITIES STEERING COMMITTEE AND OTHER CITIES IN THE ATMOS ENERGY CORP., MID-TEX DIVISION SERVICE AREA TO HIRE LEGAL AND CONSULTING SERVICES AND TO NEGOTIATE WITH THE COMPANY AND DIRECT ANY NECESSARY LITIGATION AND APPEALS; REQUIRING REIMBURSEMENT OF CITIES' RATE CASE EXPENSES; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL**

WHEREAS, on or about September 20, 2007, Atmos Energy Corp., Mid-Tex Division (Atmos), pursuant to Gas Utility Regulatory Act § 104.102 filed with the City of Terrell, a Statement of Intent to change gas rates in all municipalities exercising original jurisdiction within its Mid-Tex Division service area effective October 25, 2007; and

WHEREAS, it is reasonable for the City of Terrell to maintain its involvement in the Atmos Cities Steering Committee (ACSC) and to cooperate with the 141 similarly situated city members and other city participants of ACSC in conducting a review of the Company's application and to hire and direct legal counsel and consultants and to prepare a common response and to negotiate with the Company and direct any necessary litigation; and

WHEREAS, the Gas Utility Regulatory Act § 104.107 grants local regulatory authorities the right to suspend the effective date of proposed rate changes for ninety (90) days; and

WHEREAS, the Gas Utility Regulatory Act § 103.022 provides that costs incurred by Cities in ratemaking activities are to be reimbursed by the regulated utility.

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

1. That the October 25, 2007, effective date of the rate request submitted by Atmos on or about September 20, 2007, be suspended for the maximum period allowed by law to permit adequate time to review the proposed changes and to establish reasonable rates.
2. That the City is authorized to cooperate with ACSC and its member cities in the Mid-Tex service area to hire and direct legal counsel and consultants, negotiate with the Company, make recommendations to the City regarding reasonable rates and to direct any necessary administrative proceedings or court litigation associated with an appeal of a rate ordinance and the rate case filed with the City or Railroad Commission.
3. That the City's reasonable rate case expenses shall be reimbursed by Atmos.
4. 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.

5. A copy of this Resolution shall be sent to Atmos, care of Joe T. Christian, Director of Rates, at Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1800, Dallas, Texas 75240, and to Geoffrey Gay, General Counsel to ACSC, at Lloyd Gosselink Blevins Rochelle & Townsend, P.C., P.O. Box 1725, Austin, Texas 78767-1725.

APPROVED on this the 16<sup>th</sup> day of October, 2007.

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HAL RICHARDS, MAYOR

ATTEST:

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JOHN ROUNSAVALL, CITY SECRETARY