

ORDINANCE NO. 0-2009-114

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TYLER, TEXAS, ("CITY") APPROVING A NEGOTIATED RESOLUTION BETWEEN THE ATMOS CITIES STEERING COMMITTEE ("ACSC" OR "STEERING COMMITTEE") AND ATMOS ENERGY CORP., MID-TEX DIVISION ("ATMOS MID-TEX" OR "COMPANY") REGARDING THE COMPANY'S RATE REVIEW MECHANISM FILING IN ALL CITIES EXERCISING ORIGINAL JURISDICTION; DECLARING EXISTING RATES TO BE UNREASONABLE; REQUIRING THE COMPANY TO REIMBURSE CITIES' REASONABLE RATEMAKING EXPENSES; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT AND FINDING THE RATES TO BE SET BY THE ATTACHED TARIFFS TO BE JUST AND REASONABLE; APPROVING ATMOS' PROOF OF REVENUES; ADOPTING A SAVINGS CLAUSE; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE STEERING COMMITTEE'S LEGAL COUNSEL.

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

WHEREAS, the City is a member of the Atmos Cities Steering Committee ("ACSC" or "Steering Committee"), a coalition of more than 150 similarly situated cities served by Atmos Mid-Tex that have joined together to facilitate the review and response to natural gas issues affecting rates charged in the Atmos Mid-Tex service area (such participating cities are referred to herein as "ACSC Cities"); and

WHEREAS, pursuant to the terms of the agreement settling the Company's 2007 Statement of Intent to increase rates, ACSC Cities and the Company worked collaboratively to develop the Rate Review Mechanism ("RRM") tariff that allows for an expedited rate review process controlled in a three year experiment by ACSC Cities as a substitute to the current GRIP process instituted by the Legislature; and

WHEREAS, the City took action in 2008 to approve a Settlement Agreement with Atmos Mid-Tex resolving the Company's 2007 rate case and authorizing the RRM Tariff; and

WHEREAS, the 2008 Settlement Agreement contemplates reimbursement of ACSC Cities' reasonable expenses associated with RRM applications; and

WHEREAS, on or about March 6, 2009, Atmos Mid-Tex filed with the City its second application pursuant to the RRM tariff to increase natural gas rates by approximately \$20.2 million, such increase to be effective in every municipality that has adopted the RRM tariff within its Mid-Tex Division; and

WHEREAS, ACSC Cities coordinated its review of Atmos' RRM filing and designated a Settlement Committee made up of ACSC representatives and assisted by ACSC attorneys and consultants to resolve issues identified by ACSC in the Company's RRM filing; and

WHEREAS, the Company has filed evidence that existing rates are unreasonable and should be changed; and

WHEREAS, independent analysis by ACSC's rate expert concluded that Atmos Mid-Tex is able to justify a slight rate increase over current rates; and

WHEREAS, the Steering Committee has advocated in other proceedings that Atmos Mid-Tex hedge natural gas futures in order to mitigate the volatility of natural gas prices, which are a flow through to customers; and

WHEREAS, the ACSC Executive Committee, as well as ACSC lawyers and consultants, recommend that ACSC members approve the attached rate tariffs ("Attachment A" to this Ordinance), which will increase the Company's revenue requirement by \$2.6 million; and

WHEREAS, the attached tariffs implementing new rates and Atmos' Proof of Revenues ("Attachment B" to this Ordinance) are consistent with the negotiated resolution reached by ACSC Cities and are just, reasonable, and in the public interest; and

WHEREAS, it is the intention of the parties that if the City determines any rates, revenues, terms and conditions, or benefits resulting from a Final Order or subsequent negotiated settlement approved in any proceeding addressing the issues raised in the Company's RRM filing would be more beneficial to the City than the terms of the attached tariff, then the more favorable rates, revenues, terms and conditions, or benefits shall additionally accrue to the City; and

WHEREAS, the negotiated resolution of the Company's RRM filing and the resulting rates are, as a whole, in the public interest.

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

PART 1. That the findings set forth in this Ordinance are hereby in all things approved.

PART 2. That the City Council finds that the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable and new tariffs and Atmos' Proof of Revenues, which are attached hereto and incorporated herein as Attachments A and B, are just and reasonable and are hereby adopted.

PART 3. That Atmos Mid-Tex shall reimburse the reasonable rate making expenses of the ACSC Cities in processing the Company's rate application.

PART 4. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Ordinance, it is hereby repealed.

PART 5. That the meeting at which this Ordinance was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

PART 6. That if any one or more sections or clauses of this Ordinance is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Ordinance and the remaining provisions of the Ordinance shall be interpreted as if the offending section or clause never existed.

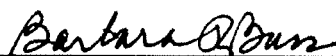
PART 7. That if the City determines any rates, revenues, terms and conditions, or benefits resulting from a Final Order or subsequent negotiated settlement approved in any proceeding addressing the issues raised in the Company's RRM filing would be more beneficial to the City than the terms of the attached tariff, then the more favorable rates, revenues, terms and conditions, or benefits shall additionally accrue to the City.

PART 8. That the Company's Gas Cost Recovery tariff is revised to permit recovery of certain costs associated with hedging natural gas futures.

PART 9. That this Ordinance shall become effective from and after its passage with rates authorized by attached Tariffs to be effective for bills rendered on or after August 1, 2009.

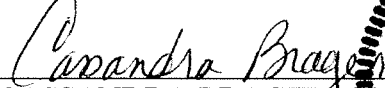
PART 10. That a copy of this Ordinance shall be sent to Atmos Mid-Tex, care of David Park, Vice President Rates and Regulatory Affairs, at Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1800, Dallas, Texas 75240, and to Geoffrey Gay, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., P.O. Box 1725, Austin, Texas 78767-1725.

PASSED AND APPROVED this 28th day of October, 2009.




BARBARA BASS, MAYOR
CITY OF TYLER, TEXAS

ATTEST:



CASSANDRA BRAGER, CITY CLERK



APPROVED


GARY LANDERS, CITY ATTORNEY

ATTACHMENT "A" TO ORDINANCE 0-2009-114
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**ATMOS ENERGY CORPORATION
MID-TEX DIVISION**

**Attachment A
REVISION NO: 0**

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	All Cities designated as "Group A" on the Cities Served List	
EFFECTIVE DATE:	Bills Rendered on or after 08/01/2009	PAGE: 29

Application

Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Mcf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 7.00 per month
Commodity Charge – All Mcf	\$2.2707 per Mcf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Rate Review Mechanism: Plus or Minus an amount for rates as calculated in accordance with Rider RRM.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Issued By: David J. Park
Date Issued:

Vice President, Rates and Regulatory Affairs

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Attachment A

ATMOS ENERGY CORPORATION
MID-TEX DIVISION

REVISION NO: 0

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	All Cities designated as "Group A" on the Cities Served List	
EFFECTIVE DATE:	Bills Rendered on or after 08/01/2009	PAGE: 30

Application

Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 3,000 Mcf.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Mcf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 13.50 per month
Commodity Charge - All Mcf	\$ 0.9877 per Mcf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Rate Review Mechanism: Plus or Minus an amount for rates as calculated in accordance with Rider RRM.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Issued By: David J. Park
Date Issued:

Vice President, Rates and Regulatory Affairs

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**ATMOS ENERGY CORPORATION
MID-TEX DIVISION**

REVISION NO: 0

RATE SCHEDULE:	1 – INDUSTRIAL SALES	
APPLICABLE TO:	All Cities designated as "Group A" on the Cities Served List	
EFFECTIVE DATE:	Bills Rendered on or after 08/01/2009	PAGE: 31

Application

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 3,500 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 3,500 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 425.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.2583 per MMBtu
Next 3,500 MMBtu	\$ 0.1884 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0404 per MMBtu

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Rate Review Mechanism: Plus or Minus an amount for rates as calculated in accordance with Rider RRM.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Issued By: David J. Park
Date Issued:

Vice President, Rates and Regulatory Affairs

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ATMOS ENERGY CORPORATION
MID-TEX DIVISION

REVISION NO: 0

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	All Cities designated as "Group A" on the Cities Served List	
EFFECTIVE DATE:	Bills Rendered on or after 08/01/2009	PAGE: 32

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

Issued By: David J. Park
Date Issued:

Vice President, Rates and Regulatory Affairs

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**ATMOS ENERGY CORPORATION
MID-TEX DIVISION**

REVISION NO: 0

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	All Cities designated as "Group A" on the Cities Served List	
EFFECTIVE DATE:	Bills Rendered on or after 08/01/2009	PAGE: 33

Application

Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 425.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.2583 per MMBtu
Next 3,500 MMBtu	\$ 0.1884 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0404 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Rate Review Mechanism: Plus or Minus an amount for rates as calculated in accordance with Rider RRM.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Imbalance Fees

All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

Issued By: David J. Park
Date Issued:

Vice President, Rates and Regulatory Affairs

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ATMOS ENERGY CORPORATION
MID-TEX DIVISION

REVISION NO: 0

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	All Cities designated as "Group A" on the Cities Served List	
EFFECTIVE DATE:	Bills Rendered on or after 08/01/2009	PAGE: 34

Monthly Imbalance Fees

Customer shall pay Company the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

A transportation agreement is required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

Issued By: David J. Park
Date Issued:

Vice President, Rates and Regulatory Affairs

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Attachment A

**ATMOS ENERGY CORPORATION
MID-TEX DIVISION**

REVISION NO: 0

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	All Cities designated as "Group A" on the Cities Served List	
EFFECTIVE DATE:	Bills Rendered on or after 08/01/2009	PAGE: 45

Provisions for Adjustment

The base rate per Mcf (1,000,000 Btu) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential, and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Mcf by the following formula:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where

- i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
- $WNAF_i$ = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per Mcf
- R_i = base rate of temperature sensitive sales for the i^{th} schedule or classification approved by the entity exercising original jurisdiction.
- HSF_i = heat sensitive factor for the i^{th} schedule or classification calculated as the slope of the linear regression of average sales per bill (Mcf) and actual heating degree days by month for the test year by schedule or classification and weather station as part of the RRM filing.
- NDD = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.
- ADD = billing cycle actual heating degree days.
- BL_i = base load sales for the i^{th} schedule or classification calculated as the y-intercept of the linear regression of average sales per bill (Mcf) and actual heating degree days by month for the test year by schedule or classification and weather station as part of the RRM filing.

The Weather Normalization Adjustment for the j^{th} customer in i^{th} rate schedule is computed as:

Issued By: David J. Park
Date Issued:

Vice President, Rates and Regulatory Affairs

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**ATMOS ENERGY CORPORATION
MID-TEX DIVISION**

REVISION NO: 0

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	All Cities designated as "Group A" on the Cities Served List	
EFFECTIVE DATE:	Bills Rendered on or after 08/01/2009	PAGE: 45

Provisions for Adjustment

The base rate per Mcf (1,000,000 Btu) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential, and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Mcf by the following formula:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where

- i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
- $WNAF_i$ = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per Mcf
- R_i = base rate of temperature sensitive sales for the i^{th} schedule or classification approved by the entity exercising original jurisdiction.
- HSF_i = heat sensitive factor for the i^{th} schedule or classification calculated as the slope of the linear regression of average sales per bill (Mcf) and actual heating degree days by month for the test year by schedule or classification and weather station as part of the RRM filing.
- NDD = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.
- ADD = billing cycle actual heating degree days.
- BL_i = base load sales for the i^{th} schedule or classification calculated as the y-intercept of the linear regression of average sales per bill (Mcf) and actual heating degree days by month for the test year by schedule or classification and weather station as part of the RRM filing.

The Weather Normalization Adjustment for the j^{th} customer in i^{th} rate schedule is computed as:

Issued By: David J. Park
Date issued:

Vice President, Rates and Regulatory Affairs

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Attachment A

ATMOS ENERGY CORPORATION
MID-TEX DIVISION

REVISION NO: 0

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	All Cities designated as "Group A" on the Cities Served List	
EFFECTIVE DATE:	Bills Rendered on or after 08/01/2009	PAGE: 47

NDD = 30 HDD (Simple ten-year average of Actual HDD for Abilene Area – 9/15/06 – 10/14/06)

ADD = 17 HDD (Actual HDD for Abilene Area – 9/15/06 – 10/14/06)

BI_i = 0.98 Mcf (Residential - Abilene Area)

Issued By: David J. Park
Date Issued:

Vice President, Rates and Regulatory Affairs

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**ATMOS ENERGY CORPORATION
MID-TEX DIVISION**

REVISION NO: 0

RIDER:	GCR – GAS COST RECOVERY	
APPLICABLE TO:	All Cities Except Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 8/1/2009	PAGE: 68

Applicable to Rate R, Rate C, and Rate I for all gas sales made by Company, and applicable to Rate R, Rate C, Rate I, and Rate T for recovery of Pipeline System costs. The total gas cost recovery amount due is determined by adding the gas cost calculated in Section (a) below and the pipeline cost calculated in Section (b) below.

The amount due for gas cost (Section (a)) is determined by multiplying the Gas Cost Recovery Factor (GCRF) by the Customer's monthly volume. For Customers receiving service under Rate R and Rate C, monthly volume will be calculated on a Mcf basis. For Customers receiving service under Rate I, monthly volume will be calculated on an MMBtu basis and the quantities will be adjusted as necessary to recover actual gas costs.

The amount due for pipeline cost (Section (b)) is determined by multiplying the Pipeline Cost Factor (PCF) by the Customer's monthly volume. For Customers receiving service under Rate R and Rate C, monthly volume will be calculated on an Mcf basis. For Customers receiving service under Rate I and Rate T, monthly volume will be calculated on an MMBtu basis and the quantities will be adjusted as necessary to recover actual gas costs.

(a) Gas Cost

Method of Calculation

The monthly gas cost adjustment is calculated by the application of a Gas Cost Recovery Factor (GCRF), as determined with the following formula:

$$\text{GCRF} = \text{Estimated Gas Cost Factor (EGCF)} + \text{Reconciliation Factor (RF)} + \text{Taxes (TXS)}$$

EGCF = Estimated cost of gas, including lost and unaccounted for gas attributed to residential, commercial, and industrial sales, and any reconciliation balance of unrecovered gas costs, divided by the estimated total residential, commercial, and industrial sales. Lost and unaccounted for gas is limited to 5%.

RF = Calculated by dividing the difference between the Actual Gas Cost Incurred, inclusive of interest over the preceding twelve-month period ended June 30 and the Actual Gas Cost Billed over that same twelve-month period by the estimated total residential, commercial, and industrial sales for the succeeding October through June billing months. The interest rate to be used is the annual interest rate on overcharges and under charges by a utility as published by the Public Utility Commission each December. The interest rate for calendar year 2009 is 2.09%.

Actual Gas Cost Incurred = The sum of the costs booked in Atmos Energy Corp., Mid-Tex Division account numbers 800 through 813 and 858 of the FERC Uniform System of Accounts, including the net impact of injecting and withdrawing gas from storage. Also includes a credit or debit for any out-of-period adjustments or unusual or nonrecurring costs typically considered gas costs and a credit for amounts received as Imbalance Fees or Curtailment Overpull Fees. Also includes any

Issued By: David J. Park
Date Issued:

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ATMOS ENERGY CORPORATION
MID-TEX DIVISION

REVISION NO: 0

RIDER:	GCR – GAS COST RECOVERY	
APPLICABLE TO:	All Cities Except Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 8/1/2009	PAGE: 69

prudently incurred transaction-related fees, gains or losses and other transaction costs associated with the use of various financial instruments that are executed by the Company for the purpose of price volatility mitigation.

Actual Gas Cost Billed = EGCF multiplied by the monthly volumes billed to Residential, Commercial and Industrial Sales customers, less the total amount of gas cost determined to have been uncollectible and written off which remain unpaid for each month of the reconciliation period.

Any amount remaining in the reconciliation balance after the conclusion of the period of amortization will be maintained in the reconciliation balance and included in the collection of the next RF.

Atmos Energy shall file annual reports with the Commission, providing by month the following amounts: Gas Cost Written Off, Margin Written Off, Tax and Other Written Off, Total Written Off, Gas Cost Collected and Margin Collected.

TXS = Any statutorily imposed assessments or taxes applicable to the purchase of gas divided by the estimated total residential, commercial, and industrial sales.

ADJ = Any surcharge or refund ordered by a regulatory authority, inclusive of interest, divided by the estimated total residential, commercial, and industrial sales is to be included as a separate line item surcharge.

(b) Pipeline Cost

Method of Calculation

Each month, a Pipeline Cost Factor (PCF) is calculated separately for each Pipeline Cost Rate Class listed below. The formula for the PCF is:

PCF = PP / S, where:

PP = (P - A) x D, where:

P = Estimated monthly cost of pipeline service calculated pursuant to Rate CGS

D = Pipeline service allocation factor for the rate class as approved in the Company's most recent rate case, as follows:

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Date Issued:

Vice President, Rates and Regulatory Affairs

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Attachment A

**ATMOS ENERGY CORPORATION
MID-TEX DIVISION**

REVISION NO: 0

RIDER:	GCR – GAS COST RECOVERY	
APPLICABLE TO:	All Cities Except Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 8/1/2009	PAGE: 70

Pipeline Cost Rate Class	Allocation Factor (D)
Rate R - Residential Service	.634698
Rate C - Commercial Service	.302824
Rate I - Industrial Service and Rate T - Transportation Service	.062478

A = Adjustment applied in the current month to correct for the difference between the actual and estimated pipeline cost revenue of the second preceding month, calculated by the formula:

$A = R - (C - A2)$, where:

R = Actual revenue received from the application of the PP component in the second preceding month.

C = Actual pipeline costs for the second preceding month.

A2 = The adjustment (A) applied to the PP component in the second preceding month.

S = Estimated Mcf or MMBtu for the rate class for the current billing month.

The PCF is calculated to the nearest 0.0001 cent.

The Pipeline Cost to be billed is determined by multiplying the Mcf or MMBtu used by the appropriate PCF. The Pipeline Cost is determined to the nearest whole cent.

Issued By: David J. Park
Date Issued:

Vice President, Rates and Regulatory Affairs

ATTACHMENT "A" TO ORDINANCE 0-2009-114
PAGE 13 OF 14

Attachment A

ATMOS ENERGY CORPORATION
MID-TEX DIVISION

REVISION NO: 0

RIDER:	CEE – CONSERVATION & ENERGY EFFICIENCY	
APPLICABLE TO:	All Cities except Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 8/1/2009	PAGE: 84

Purpose

Atmos Energy Mid-Tex is proposing to institute a complete Conservation & Energy Efficiency program which will offer assistance to qualified customer segments in reducing energy consumption and lowering energy utility bills. The proposal is one where Atmos Energy shareholders will fund a percentage of the allowable expenses incurred annually, with a customer rate component providing the remainder of the funding. Following is a high-level, concept summary of the proposal. Atmos Energy Mid-Tex Division proposes to work with the communities it serves to develop the details of a new tariff and programs addressing conservation and energy efficiency.

Synopsis:

Voucher system to provide free energy savings materials and supplies to qualifying customers of Atmos Mid-Tex. Qualified Customers will receive up to one thousand five hundred dollars (\$1,500.00) worth of caulking, weather-stripping, sheathing, sealing, water heater blankets, related gas plumbing, and like materials, other energy saving devices such as clock-thermostats, set-back devices ("covered items") from approved suppliers / retailers including necessary labor.

Company will undertake efforts to enlist support from community groups, including its own Employee Action Program, to assist customers with installation. If it is determined that professional installation capabilities are necessary, the parties will agree on labor assistance amounts.

Eligibility

Low Income – Low-income rate-payers that qualify for heating bill assistance through LIHEAP and other government energy efficiency program agencies and all agencies that distribute Atmos "Share the Warmth" funds. Agencies that allocate assistance funds denote customer as Low Income, a status that lasts for one year.

Senior Citizen – Primary account holder can request eligibility through ATM call center or web-site. Customer provides primary SSN which is verified through Social Security Administration. And account holder that is or turns 65 years old in that year becomes eligible.

Funding

Initial annual program funding will be at two million dollars (\$2,000,000). Atmos Energy shareholders will contribute one million dollars (\$1,000,000.00) to this initiative annually with ratepayers providing one million dollars (\$1,000,000.00) per year. It is proposed that the program operate on an October 1 through September 30 year, with regulatory asset/liability accounting employed by Atmos to track the difference between program funding and qualifying program expenditures. No Atmos employee labor will be charged as a program expenditure.

Administration:

A third-party administrator will coordinate qualification of customers, voucher distribution, subsequent verification and reimbursement of eligible expenditures and general program administration. Program administration expenses will be funded from the annual approved budget.

Issued By: David J. Park

Vice President, Rates and Regulatory Affairs

Date issued:

ATTACHMENT "A" TO ORDINANCE 0-2009-114
PAGE 14 OF 14

Attachment A

**ATMOS ENERGY CORPORATION
MID-TEX DIVISION**

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Audits will be provided all interested parties within 120 days of the end of each program year to determine effectiveness.

Report

Atmos shall file an annual report detailing cost to administer the program including the amounts paid out of the program for energy conservation assistance. The report shall also detail the number of applicants and expenditures by geographic location, including the numbers of applications rejected and accepted and reason if rejected. The report shall be filed with the Director of the Gas Services Division of the Railroad Commission within 120 days of the end of each program year and with counsel of record for municipalities served by the Mid-Tex Division.

Issued By: David J. Park
Date Issued:

Vice President, Rates and Regulatory Affairs

ATTACHMENT "B" TO ORDINANCE 0-2009-114

ATTACHMENT B

ATMOS ENERGY CORP., MID-TEX DIVISION
 PROOF OF REVENUES
 TEST YEAR ENDING DECEMBER 31, 2008
 (2009 RRM SETTLEMENT PROPOSAL)

Line No.	Description (a)	Prospective Rate Increase (b)	2008 True-up (c)	Total change from current rates (d)
1	Rate R			
2	Consumption Charge per MCF			
3	Change from Current Rate	\$0.1047	\$0.0060	\$0.0297
4	Billing Units for Specified Period	82,321,960	82,321,960	82,321,960
5	Total Change in Base Revenue	\$8,619,109	\$493,932	\$2,444,962
6	Associated Revenue Taxes	<u>\$532,144</u>	<u>\$30,495</u>	<u>\$150,952</u>
7	Total Rate Impact	\$9,151,253	\$524,427	\$2,595,914
8	Number of Bills for Specified Period	17,244,058	17,244,058	17,244,058
9	Average Impact per Bill	\$0.53	\$0.03	\$0.15
10	Rate C			
11	Consumption Charge per MCF			
12	Change from Current Rate	\$0.0383	\$0.0052	\$0.0068
13	Billing Units for Specified Period	52,439,100	52,439,100	52,439,100
14	Total Change in Base Revenue	\$2,008,418	\$272,683	\$356,586
15	Associated Revenue Taxes	<u>\$124,000</u>	<u>\$16,835</u>	<u>\$22,016</u>
16	Total Rate Impact	\$2,132,417	\$289,519	\$378,601
17	Number of Bills for Specified Period	1,452,943	1,452,943	1,452,943
18	Average Impact per Bill	\$1.47	\$0.20	\$0.26
19	Rates I&T - 1st block			
20	Consumption Charge per MCF			
21	Change from Current Rate	\$0.0144	\$0.0087	(\$0.0150)
22	Billing Units for Specified Period	9,681,181	9,681,181	9,681,181
23	Total Change in Base Revenue	\$139,409	\$84,226	(\$145,218)
24	Associated Revenue Taxes	<u>\$8,607</u>	<u>\$5,200</u>	<u>(\$8,966)</u>
25	Total Rate Impact	\$148,016	\$89,426	(\$154,183)
26	Rates I&T - 2nd block			
27	Consumption Charge per MCF			
28	Change from Current Rate	\$0.0105	\$0.0064	(\$0.0109)
29	Billing Units for Specified Period	10,782,882	10,782,882	10,782,882
30	Total Change in Base Revenue	\$113,220	\$69,010	(\$117,533)
31	Associated Revenue Taxes	<u>\$6,990</u>	<u>\$4,261</u>	<u>(\$7,257)</u>
32	Total Rate Impact	\$120,210	\$73,271	(\$124,790)
33	Rates I&T - 3rd block			
34	Consumption Charge per MCF			
35	Change from Current Rate	\$0.0023	\$0.0014	(\$0.0023)
36	Billing Units for Specified Period	19,798,632	19,798,632	19,798,632
37	Total Change in Base Revenue	\$45,537	\$27,718	(\$45,537)
38	Associated Revenue Taxes	<u>\$2,811</u>	<u>\$1,711</u>	<u>(\$2,811)</u>
39	Total Rate Impact	\$48,348	\$29,429	(\$48,348)
40	Rates I&T - Total			
41	Total Rate Impact	\$316,575	\$192,127	(\$327,322)
42	Number of Bills for Specified Period	11,571	11,571	11,571
43	Average Impact per Bill	\$12.79	\$7.73	(\$13.32)
44				
45	Total Change in Base Revenue	\$10,925,693	\$947,570	\$2,493,260
46	Total Rate Impact (Inc. Rev. Taxes)	\$11,600,245	\$1,006,073	\$2,647,194