

RESOLUTION NO. R-2015-17

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TYLER, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE ("ACSC") AND ATMOS ENERGY CORPORATION, MID-TEX DIVISION, REGARDING THE COMPANY'S 2014 AND 2015 RATE REVIEW MECHANISM FILINGS; APPROVING A SETTLEMENT AGREEMENT WITH ATTACHED RATE TARIFFS AND PROOF OF REVENUES; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; REQUIRING THE COMPANY TO REIMBURSE ACSC'S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE ACSC'S LEGAL COUNSEL; ADOPTING A SAVINGS CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

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

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

WHEREAS, ACSC and the Company worked collaboratively to develop a new Rate Review Mechanism ("RRM") tariff that allows for an expedited rate review process by ACSC Cities as a substitute to the Gas Reliability Infrastructure Program ("GRIP") process instituted by the Texas Legislature, and that will establish rates for the ACSC Cities based on the system-wide cost of serving the Atmos Mid-Tex Division; and

WHEREAS, the initial RRM Tariff was in effect for four (4) years; and

WHEREAS, ACSC Cities and Atmos Mid-Tex entered into another settlement agreement and revised the RRM Tariff; and

WHEREAS, ACSC Cities and Atmos Mid-Tex compromised and reached agreements on the amount of the rate increases to be in effect for the RRM Tariff filings for 2012 and 2013; and

WHEREAS, ACSC Cities and Atmos Mid-Tex were unable to reach an agreement on the 2014 RRM Tariff filing, resulting in the ACSC Cities' rejection of the 2014 RRM filing; and

WHEREAS, Atmos Mid-Tex appealed the ACSC Cities' actions rejecting its 2014 RRM filing to the Railroad Commission of Texas ("Commission"), pursuant to the provisions of the RRM Tariff; and

WHEREAS, Atmos Mid-Tex and ACSC litigated the appeal of the 2014 RRM filing at the Commission; and

WHEREAS, on February 27, 2015, Atmos Mid-Tex filed its 2015 RRM Tariff filing, requesting to increase natural gas base rates system-wide by \$28.762 million; and

WHEREAS, ACSC coordinated its review of Atmos Mid-Tex RRM filing through its Executive Committee, assisted by ACSC's attorneys and consultants, to resolve issues identified in the Company's RRM filing; and

WHEREAS, Atmos Mid-Tex has agreed to withdraw its appeal of ACSC's rejection of its 2014 RRM Tariff Rate increase; and

WHEREAS, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve the attached Settlement Agreement (Attachment "A" to this Resolution and incorporated herein) as well as the tariffs attached thereto, resolving both the 2014 and 2015 RRM Tariff filings, which together will increase the Company's revenues by \$65.7 million over the amount allowed under City-approved rates set in 2013; and

WHEREAS, the attached tariffs implementing new rates are consistent with the negotiated Settlement Agreement and are just, reasonable, and in the public interest; and

WHEREAS, the RRM Tariff should be renewed for a period of time commencing in 2016 and continuing until the RRM Tariff is suspended by ordinance of the City; and

WHEREAS, the RRM Tariff contemplates reimbursement of ACSC's reasonable expenses associated with RRM applications;

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

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

PART 2: That the City Council finds that the Settlement Agreement (Attachment "A" to this Resolution and incorporated herein) represents a comprehensive settlement of gas utility rate issues affecting the rates, operations and services offered by Atmos Mid-Tex with the municipal limits arising from Atmos Mid-Tex's 2014 and 2015 RRM filings, is the public interest, and is consistent with the City's authority under Texas Utilities Code Section 103.001.

PART 3: That the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Attachment "C", are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional \$65.7 million in revenue over the amount allowed under currently approved rates, or \$21 million over currently-bill rates, as shown in the Proof of Revenues attached hereto and incorporated herein as Attachment "B"; such tariffs are being adopted.

PART 4: That the ratemaking treatment for pensions and other post-employment benefits in Atmos' next RRM filing shall be as set forth on Attachment "D", attached hereto and incorporated herein..

PART 5: That in an effort to streamline the regulatory review process, the Atmos Mid-Tex RRM Tariff is renewed for a period commencing with the Company's March 1, 2016 RRM filing for calendar year 2015, effective June 1, 2016, and continuing thereafter until such time as the City adopts an ordinance suspending operation of the RRM Tariff.

PART 6: That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's RRM application.

PART 7: That to the extent any resolution previously adopted by the City Council is inconsistent with this Resolution, it is hereby repealed.

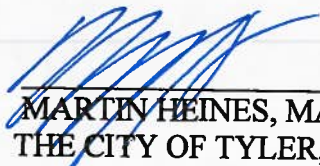
PART 8: That the meeting at this Resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code Chapter 551.

PART 9: That a copy of this Resolution shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas Texas 75240, and to Geoffrey Gay, General Counsel to ACSC, at Lloyd Gosselink Rochelle and Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

PART 10: That if any one or more sections or clauses of this Resolution is adjudged 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.

PART 11: That consistent with the City ordinance that established the RRM process, this Resolution shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after June 1, 2015.

PASSED AND APPROVED this 10th day of June, 2015.


MARTIN HEINES, MAYOR OF
THE CITY OF TYLER, TEXAS

ATTEST:

APPROVED:


CASSANDRA BRAGER, CITY CLERK


DEBORAH G. PULLUM, CITY ATTORNEY



MEMORANDUM

TO: ACSC Members
FROM: Geoffrey M. Gay
DATE: May 8, 2015
RE: Settlement Agreement with Atmos Mid-Tex

CONFIDENTIAL/ATTORNEY-CLIENT COMMUNICATION

Attached please find a Resolution that approves a Settlement Agreement between Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corporation, Mid-Tex Division ("Atmos" or "Company") that resolves the 2015 RRM proceeding pending with Cities for a rate increase that is approximately \$15 million less than what the Company would be entitled to receive under the GRIP statute. Additionally, the Settlement Agreement resolves the 2014 RRM case that Atmos appealed to the Railroad Commission. Settlement of both cases was authorized by the ACSC Executive Committee. The Settlement produces a result that is better than what would be the expected result of continued litigation at the Commission.

The attached package includes a Resolution (provided in Word) that approves the Settlement Agreement and a Model Staff Report supporting the Resolution. Also provided are the Attachments to the Resolution, which include: the Settlement Agreement, a proof of revenues, the new tariffs, and a spreadsheet establishing a baseline for pensions for the next RRM filing.

Your city should adopt the Resolution with attachments. As an alternative to the Resolution, you may adopt an ordinance approving the Settlement Agreement, if that is your preference. A package containing the ordinance was sent earlier today.

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Attachment A

**SETTLEMENT AGREEMENT BETWEEN ATMOS ENERGY CORP., MID-TEX
DIVISION AND ATMOS CITIES STEERING COMMITTEE**

WHEREAS, this agreement ("Settlement Agreement") is entered into by Atmos Energy Corp's Mid-Tex Division and Atmos Cities Steering Committee ("ACSC") whose members include the Cities of Abilene, Addison, Allen, Alvarado, Angus, Anna, Argyle, Arlington, Aubrey, Bedford, Bellmead, Benbrook, Beverly Hills, Blossom, Blue Ridge, Bowie, Boyd, Bridgeport, Brownwood, Buffalo, Burkburnett, Burleson, Caddo Mills, Canton, Carrollton, Cedar Hill, Celeste, Celina, Centerville, Cisco, Clarksville, Cleburne, Clyde, College Station, Colleyville, Colorado City, Comanche, Commerce, Coolidge, Coppell, Copperas Cove, Corinth, Corral City, Crandall, Crowley, Dalworthington Gardens, Denison, DeSoto, Duncanville, Eastland, Edgecliff Village, Emory, Ennis, Euless, Everman, Fairview, Farmers Branch, Farmersville, Fate, Flower Mound, Forest Hill, Fort Worth, Frisco, Frost, Gainesville, Garland, Garrett, Grand Prairie, Grapevine, Gunter, Haltom City, Harker Heights, Haskell, Haslet, Hewitt, Highland Park, Highland Village, Honey Grove, Hurst, Hutto, Iowa Park, Irving, Justin, Kaufman, Keene, Keller, Kemp, Kennedale, Kerens, Kerrville, Killeen, Krum, Lake Worth, Lakeside, Lancaster, Lewisville, Lincoln Park, Little Elm, Lorena, Madisonville, Malakoff, Mansfield, McKinney, Melissa, Mesquite, Midlothian, Murphy, Newark, Nocona, North Richland Hills, Northlake, Oakleaf, Ovilla, Palestine, Pantego, Paris, Parker, Pecan Hill, Petrolia, Plano, Ponder, Pottsboro, Prosper, Quitman, Red Oak, Reno (Parker County), Richardson, Richland, Richland Hills, Roanoke, Robinson, Rockwall, Roscoe, Rowlett, Royse City, Sachse, Saginaw, Sansom Park, Seagoville, Sherman, Snyder, Southlake, Springtown, Stamford, Stephenville, Sulphur Springs, Sweetwater, Temple, Terrell, The Colony, Trophy Club, Tyler, University Park, Venus, Vernon, Waco, Watauga, Waxahachie, Westlake, White Settlement, Whitesboro, Wichita Falls, Woodway, and Wylie.

WHEREAS, on February 28, 2014, Atmos filed with the ACSC Cities an application, hereinafter referred to as the 2014 RRM filing, to adjust rates pursuant to Rider RRM - Rate Review Mechanism, which were subsequently consolidated into GUD No. 10359 at the Railroad Commission of Texas; and

WHEREAS, on February 27, 2015, Atmos filed with the ACSC Cities an application, hereinafter referred to as the 2015 RRM filing, to adjust rates pursuant to Rider RRM - Rate Review Mechanism; and

WHEREAS, the Settlement Agreement resolves all issues between Atmos and ACSC ("the Signatories") regarding the 2014 RRM filing, which is currently pending before the Commission, and the 2015 RRM filing, which is currently pending before the ACSC Cities, in a manner that the Signatories believe is consistent with the public interest, and the Signatories represent diverse interests; and

WHEREAS, the Signatories believe that the resolution of the issues raised in the 2014 RRM filing and the 2015 RRM filing can best be accomplished by each ACSC City approving this Settlement Agreement and the rates, terms and conditions reflected in the tariffs attached to this Settlement Agreement as Exhibit A;

NOW, THEREFORE, in consideration of the mutual agreements and covenants established herein, the Signatories, through their undersigned representatives, agree to the

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Attachment A

following Settlement Terms as a means of fully resolving all issues between Atmos and the ACSC Cities involving the 2014 RRM filing and 2015 RRM filing.

Settlement Terms

1. Upon the execution of this Settlement Agreement, the ACSC Cities will approve an ordinance or resolution to approve the Settlement Agreement and implement the rates, terms and conditions reflected in the tariffs attached to the Settlement Agreement as Exhibit A. (Attachment A to the Ordinance ratifying the Agreement). Said tariffs should allow Atmos to recover annually an additional \$65.7 million in revenue over the amount allowed under currently approved rates by implementation of rates shown in the proof of revenues attached as Exhibit B. (Attachment B to the Ordinance ratifying this Agreement). The uniform implementation of gas rates, terms and conditions established by the Settlement Agreement shall be effective for bills rendered on or after June 1, 2015. Consistent with the City's authority under Section 103.001 of the Texas Utilities Code, the Settlement Agreement represents a comprehensive settlement of gas utility rate issues affecting the rates, operations and services offered by Atmos within the municipal limits of the ACSC Cities arising from Atmos' 2014 RRM filing and 2015 RRM filing. No refunds of charges billed to customers by Atmos under the RRM in past periods shall be owed or owing.
2. In an effort to streamline the regulatory review process, Atmos and the ACSC Cities have agreed to renew the Rate Review Mechanism ("Rider RRM") for a period commencing with the Company's March 1, 2016 filing under this mechanism for the calendar year 2015, effective June 1, 2016, and continuing thereafter until such time as either the ACSC Cities issue an ordinance stating a desire to discontinue the operation of the tariff or Atmos files a Statement of Intent. Atmos and the ACSC Cities further agree that the RRM tariff shall remain in effect until such time as new, final rates are established for Atmos. Upon approval of this Settlement Agreement by the ACSC Cities, Atmos shall file an updated RRM Tariff with each city reflecting the provisions of this agreement.
3. Atmos and the ACSC Cities agree that rate base as of December 31, 2014 in the amount of \$1,955,948,256 is just and reasonable and shall be recovered in rates.
4. Atmos and the ACSC Cities agree that a pension and other postemployment benefits balance as of December 31, 2014 in the amount of \$18,284,949 is just and reasonable and shall be used as the beginning balance for purposes of determining pension and other postemployment benefits to be recovered in the next RRM filing (Attachment D to the Ordinance ratifying the Agreement).
5. With regard to the treatment of Atmos' Rule 8.209 regulatory asset under the RRM, Atmos and the ACSC Cities agree to the following with respect to any pending and future RRM filings:
 - a. the capital investment in the Rule 8.209 regulatory asset in the 2014 RRM filing and 2015 RRM filing is reasonable and consistent with the requirements of Rule 8.209;

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- b. the classification of projects included in the Rule 8.209 regulatory asset in the 2014 RRM filing and 2015 RRM filing is reasonable and consistent with the requirements of Rule 8.209 and shall serve as a basis for classification of projects in future RRM filings;
 - c. the treatment of blanket replacement projects, system upgrades, relocations, and transmission line replacements in the Rule 8.209 regulatory asset in the 2014 RRM filing and 2015 RRM filing is reasonable and consistent with the requirements of Rule 8.209 and shall be included in future RRM filings.
 - d. the incurred expenses included in the Rule 8.209 regulatory asset in the 2014 RRM and the 2015 RRM are reasonable and consistent with the requirements of Rule 8.209 and shall be included in future RRM filings;
 - e. interest on the Rule 8.209 regulatory asset account shall be calculated using the pre-tax cost of capital most recently approved by the Commission. The use of the pre-tax cost of capital is consistent with Rule 8.209. A return on Rule 8.209 capital investment is only earned once the investment is included in rate base. No change in the Company's calculation of the interest component in its Rule 8.209 regulatory asset accounts is warranted through the period ended May 31, 2015. Beginning June 1, 2015, interest expense shall be calculated monthly using simple interest (*i.e.* 11.49% divided by 12, or approximately 0.96% per month) applied to the total value of the Rule 8.209 asset investment (exclusive of interest) until such time the Rule 8.209 regulatory asset is approved for inclusion in the Company's rate base.
 - f. While Atmos and the ACSC Cities agree to apply the treatments and methodologies set forth in this paragraph, subsections (a) – (e) in all future RRM filings, the regulatory authority retains its right to disallow any capital investment that is not shown to be prudently incurred, and any expense not shown to be reasonable and necessary, in future RRM filings.
 - g. Atmos and the ACSC Cities acknowledge that their agreement regarding the treatment and methodologies applicable to Rule 8.209 capital investments under the RRM tariff shall not prejudice the right of either party to argue for different treatments or methodologies in a future statement of intent proceeding.
6. Revenues approved pursuant to Paragraph 1 of the Settlement Agreement include reimbursement of rate case expenses owed to the ACSC Cities in connection with the 2014 RRM filing.
 7. The Signatories agree that each ACSC city shall approve this Settlement Agreement and adopt an ordinance or resolution to implement for the ACSC Cities the rates, terms, and conditions reflected in the tariffs attached to the Settlement Agreement as Exhibit A. Atmos and ACSC further agree that at such time as all of the ACSC Cities have passed an ordinance or resolution consistent with the Settlement and Atmos has received such ordinance or resolution, Atmos shall withdraw its appeal of the currently pending RRM filing before the Railroad Commission of Texas in connection with the 2014 RRM filing.

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8. Atmos and the ACSC Cities further agree that the express terms of the Rider RRM are supplemental to the filing, notice, regulatory review, or appellate procedural process of the ratemaking provisions of Chapter 104 of the Texas Utilities Code. If the statute requires a mandatory action on behalf of the municipal regulatory authority or Atmos, the parties will follow the provisions of such statute. If the statute allows discretion on behalf of the municipal regulatory authority, the ACSC Cities agree that they shall exercise such discretion in such a way as to implement the provisions of the RRM tariff. If Atmos appeals an action or inaction of an ACSC City regarding an RRM filing to the Railroad Commission, the ACSC Cities agree that they will not oppose the implementation of interim rates or advocate the imposition of a bond by Atmos consistent with the RRM tariff. Atmos agrees that it will make no filings on behalf of its Mid-Tex Division under the provisions of Section 104.301 of the Texas Utilities code while the Rider RRM is in place. In the event that a regulatory authority fails to act or enters an adverse decision regarding the proposed annual RRM adjustment, the Railroad Commission of Texas shall have exclusive appellate jurisdiction, pursuant to the provisions of the Texas Utilities Code, to review the action or inaction of the regulatory authority exercising exclusive original jurisdiction over the RRM request. In addition, the Signatories agree that this Settlement Agreement shall not be construed as a waiver of the ACSC Cities' right to initiate a show cause proceeding or the Company's right to file a Statement of Intent under the provisions of the Texas Utilities Code.
9. The Signatories agree that the terms of the Settlement Agreement are interdependent and indivisible, and that if any ACSC city enters an order that is inconsistent with this Settlement Agreement, then any Signatory may withdraw without being deemed to have waived any procedural right or to have taken any substantive position on any fact or issue by virtue of that Signatory's entry into the Settlement Agreement or its subsequent withdrawal. If any ACSC city rejects this Settlement Agreement, then this Settlement Agreement shall be void *ab initio* and counsel for the ACSC Cities shall thereafter only take such actions as are in accordance with the Texas Disciplinary Rules of Professional Conduct.
10. The Signatories agree that all negotiations, discussions and conferences related to the Settlement Agreement are privileged, inadmissible, and not relevant to prove any issues associated with Atmos' 2014 RRM filing and 2015 RRM filing.
11. The Signatories agree that neither this Settlement Agreement nor any oral or written statements made during the course of settlement negotiations may be used for any purpose other than as necessary to support the entry by the ACSC Cities of an ordinance or resolution implementing this Settlement Agreement.
12. The Signatories agree that this Settlement Agreement is binding on each Signatory only for the purpose of settling the issues set forth herein and for no other purposes, and, except to the extent the Settlement Agreement governs a Signatory's rights and obligations for future periods, this Settlement Agreement shall not be binding or precedential upon a Signatory outside this proceeding.

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13. The Signatories agree that this Settlement Agreement may be executed in multiple counterparts and may be filed with facsimile signatures.

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Attachment A

Agreed to this 7 day of May, 2015.

ATMOS ENERGY CORP., MID-TEX DIVISION

By: John A. Paris
John A. Paris
President, Mid-Tex Division

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Attachment A

Agreed to this 7th day of May 2015.

ATTORNEY FOR ATMOS CITIES STEERING COMMITTEE, WHOSE MEMBERS INCLUDE THE CITIES OF ABILENE, ADDISON, ALLEN, ALVARADO, ANGUS, ANNA, ARGYLE, ARLINGTON, AUBREY, BEDFORD, BELLMEAD, BENBROOK, BEVERLY HILLS, BLOSSOM, BLUE RIDGE, BOWIE, BOYD, BRIDGEPORT, BROWNWOOD, BUFFALO, BURKBURNETT, BURLESON, CADDO MILLS, CANTON, CARROLLTON, CEDAR HILL, CELESTE, CELINA, CENTERVILLE, CISCO, CLARKSVILLE, CLEBURNE, CLYDE, COLLEGE STATION, COLLEYVILLE, COLORADO CITY, COMANCHE, COMMERCE, COOLIDGE, COPPELL, COPPERAS COVE, CORINTH, CORRAL CITY, CRANDALL, CROWLEY, DALWORTHINGTON GARDENS, DENISON, DESOTO, DUNCANVILLE, EASTLAND, EDGECLIFF VILLAGE, EMORY, ENNIS, EULESS, EVERMAN, FAIRVIEW, FARMERS BRANCH, FARMERSVILLE, FATE, FLOWER MOUND, FOREST HILL, FORT WORTH, FRISCO, FROST, GAINESVILLE, GARLAND, GARRETT, GRAND PRAIRIE, GRAPEVINE, GUNTER, HALTOM CITY, HARKER HEIGHTS, HASKELL, HASLET, HEWITT, HIGHLAND PARK, HIGHLAND VILLAGE, HONEY GROVE, HURST, HUTTO, IOWA PARK, IRVING, JUSTIN, KAUFMAN, KEENE, KELLER, KEMP, KENNEDALE, KERENS, KERRVILLE, KILLEEN, KRUM, LAKE WORTH, LAKESIDE, LANCASTER, LEWISVILLE, LINCOLN PARK, LITTLE ELM, LORENA, MADISONVILLE, MALAKOFF, MANSFIELD, MCKINNEY, MELISSA, MESQUITE, MIDLOTHIAN, MURPHY, NEWARK, NOCONA, NORTH RICHLAND HILLS, NORTHLAKE, OAKLEAF, OVIHA, PALESTINE, PANTEGO, PARIS, PARKER, PECAN HILL, PETROLIA, PLANO, PONDER, POTTSBORO, PROSPER, QUITMAN, RED OAK, RENO (PARKER COUNTY), RICHARDSON, RICHLAND, RICHLAND HILLS, ROANOKE, ROBINSON, ROCKWALL, ROSCOE, ROWLETT, ROYSE CITY, SACHSE, SAGINAW, SANSOM PARK, SEAGOVILLE, SHERMAN, SNYDER, SOUTHLAKE, SPRINGTOWN, STAMFORD, STEPHENVILLE, SULPHUR SPRINGS, SWEETWATER, TEMPLE, TERRELL, THE COLONY, TROPHY CLUB, TYLER, UNIVERSITY PARK, VENUS, VERNON, WACO, WATAUGA, WAXAHACHE, WESTLAKE, WHITE SETTLEMENT, WHITESBORO, WICHITA FALLS, WOODWAY, AND WYLIE.

By:


Geoffrey Gray*

* Subject to approval by ACSC City Councils

ATTACHMENT A TO RESOLUTION NO. R-2015-17

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

Attachment A

Exhibit A
RRC Tariff No:

| | | |
|------------------------|---|--------------|
| RATE SCHEDULE: | C – COMMERCIAL SALES | |
| APPLICABLE TO: | ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS | |
| EFFECTIVE DATE: | Bills Rendered on or after 06/01/2015 | PAGE: |

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 30,000 Ccf.

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 Ccf charges to the amounts due under the riders listed below:

| Charge | Amount |
|------------------------------|--------------------------------|
| Customer Charge per Bill | \$ 40.00 per month |
| Rider CEE Surcharge | \$ 0.00 per month ¹ |
| Total Customer Charge | \$ 40.00 per month |
| Commodity Charge – All Ccf | \$ 0.08020 per Ccf |

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.

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.

¹ Reference Rider CEE - Conservation And Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2014.

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Exhibit A

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RRC Tariff No:

| | | |
|------------------------|---|--------------|
| RATE SCHEDULE: | I – INDUSTRIAL SALES | |
| APPLICABLE TO: | ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS | |
| EFFECTIVE DATE: | Bills Rendered on or after 06/01/2015 | PAGE: |

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 | \$ 700.00 per month |
| First 0 MMBtu to 1,500 MMBtu | \$ 0.2937 per MMBtu |
| Next 3,500 MMBtu | \$ 0.2151 per MMBtu |
| All MMBtu over 5,000 MMBtu | \$ 0.0461 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.

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."

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.

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**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

Attachment A

**Exhibit A
RRC Tariff No:**

| | | |
|------------------------|---|--------------|
| RATE SCHEDULE: | I - INDUSTRIAL SALES | |
| APPLICABLE TO: | ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS | |
| EFFECTIVE DATE: | Bills Rendered on or after 06/01/2015 | PAGE: |

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.

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**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

**Exhibit A
RRC Tariff No:**

| | | |
|------------------------|---|--------------|
| RATE SCHEDULE: | R – RESIDENTIAL SALES | |
| APPLICABLE TO: | ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS | |
| EFFECTIVE DATE: | Bills Rendered on or after 06/01/2015 | PAGE: |

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 Ccf charges to the amounts due under the riders listed below:

| Charge | Amount |
|------------------------------|--------------------------------|
| Customer Charge per Bill | \$ 18.60 per month |
| Rider CEE Surcharge | \$ 0.02 per month ¹ |
| Total Customer Charge | \$ 18.62 per month |
| Commodity Charge – All Ccf | \$0.09931 per Ccf |

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.

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.

¹Reference Rider CEE - Conservation And Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2014.

ATTACHMENT A TO RESOLUTION NO. R-2015-17

PAGE 12 OF 26

Attachment A

Exhibit A

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RRC Tariff No:

| | | |
|------------------------|---|--------------|
| RATE SCHEDULE: | T - TRANSPORTATION | |
| APPLICABLE TO: | ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS | |
| EFFECTIVE DATE: | Bills Rendered on or after 06/01/2015 | PAGE: |

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 | \$ 700.00 per month |
| First 0 MMBtu to 1,500 MMBtu | \$ 0.2937 per MMBtu |
| Next 3,500 MMBtu | \$ 0.2151 per MMBtu |
| All MMBtu over 5,000 MMBtu | \$ 0.0461 per MMBtu |

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

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.

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.

ATTACHMENT A TO RESOLUTION NO. R-2015-17

PAGE 13 OF 26

Attachment A

Exhibit A
RRC Tariff No:

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

| | | |
|------------------------|---|--------------|
| RATE SCHEDULE: | T – TRANSPORTATION | |
| APPLICABLE TO: | ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS | |
| EFFECTIVE DATE: | Bills Rendered on or after 06/01/2015 | PAGE: |

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.

ATTACHMENT A TO RESOLUTION NO. R-2015-17

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

| | | |
|------------------------|---|--------------|
| RIDER: | WNA – WEATHER NORMALIZATION ADJUSTMENT | |
| APPLICABLE TO: | ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS | |
| EFFECTIVE DATE: | Bills Rendered on or after 11/01/2015 | PAGE: |

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) 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 Ccf 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 Ccf
- R_i = Commodity Charge rate of temperature sensitive sales for the i^{th} schedule or classification.
- HSF_i = heat sensitive factor for the i^{th} schedule or classification divided by the average bill count in that class
- 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 divided by the average bill count in that class

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

$$WNA_j = WNAF_i \times q_j$$

Where q_j is the relevant sales quantity for the j th customer in i th rate schedule.

ATTACHMENT A TO RESOLUTION NO. R-2015-17

Attachment A

Exhibit A

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

| | | |
|------------------------|---|--------------|
| RIDER: | WNA - WEATHER NORMALIZATION ADJUSTMENT | |
| APPLICABLE TO: | ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS | |
| EFFECTIVE DATE: | Bills Rendered on or after 11/01/2015 | PAGE: |

Base Use/Heat Use Factors

| Weather Station | <u>Residential</u> | | <u>Commercial</u> | |
|-----------------|--------------------|---------------------|-------------------|---------------------|
| | Base use Ccf | Heat use Ccf/HDD | Base use Ccf | Heat use Ccf/HDD |
| Abilene | 10.22 | 0.1404 | 98.80 | 0.6372 |
| Austin | 11.59 | 0.1443 | 213.62 | 0.7922 |
| Dallas | 14.12 | 0.2000 | 208.11 | 0.9085 |
| Waco | 9.74 | 0.1387 | 130.27 | 0.6351 |
| Wichita Falls | 11.79 | 0.1476 | 122.35 | 0.5772 |

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at atmosenergy.com/mbx-wna, in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and a Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

Attachment A

Exhibit B

ATMOS ENERGY CORP., MID-TEX DIVISION
 PROOF OF REVENUES AND PROPOSED TARIFF STRUCTURE
 TEST YEAR ENDING DECEMBER 31, 2014

| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
|---|-----|----------------------|-----------------|------------------------------------|-----------------------------|-------------------|---|
| 1 Proposed Change in Rates: | | | \$21,088,527 | Schedule A | | | |
| 2 Proposed Change in Rates without Revenue Related Taxes: | | | \$18,757,254 | Ln 1 divided by factor on WP_F-5.1 | | | |
| 3 | | | | | | | |
| 4 | | | | | | | |
| 5 | | | | | | | |
| 6 | | | | | | | |
| 7 Residential | | Revenue Requirements | Allocations | | Per GUD 10170 Final Order | | |
| 8 Commercial | | \$ 338,431,488 | 77.95% | | Per GUD 10170 Final Order | | |
| 9 Industrial and Transportation | | \$ 84,223,822 | 19.40% | | Per GUD 10170 Final Order | | |
| 10 Net Revenue Requirements GUD No. 10170 | | \$ 11,460,316 | 2.85% | | Per GUD 10170 Final Order | | |
| 11 | | \$ 434,145,424 | | | | | |
| 12 | | | | | | | |
| 17 | | | | | | | |
| 18 | | | | | | | |
| 19 | | | | | | | |
| 20 Residential Base Charge | | Current | Proposed Change | Proposed Rates | Proposed Change in Revenues | Proposed Revenues | Proposed Rates with Rate Class Expenses |
| 21 Residential Consumption Charge | | \$ 18.20 | \$ 0.36 | \$ 18.56 | \$ 6,351,350 | \$ 327,447,398 | \$ 18.60 |
| 22 Commercial Base Charge | | \$ 0.06819 | \$ 0.01112 | \$ 0.08931 | \$ 9,049,383 | \$ 80,817,829 | \$ 0.09931 |
| 23 Commercial Consumption Charge | | \$ 38.50 | \$ 1.37 | \$ 39.87 | \$ 2,000,584 | \$ 58,221,364 | \$ 40.00 |
| 24 H&T Base Charge | | \$ 0.07681 | \$ 0.00339 | \$ 0.08020 | \$ 1,834,988 | \$ 43,411,339 | \$ 0.08020 |
| 25 H&T Consumption Charge Tier 1 MIMBTU | | \$ 675.00 | \$ 22.35 | \$ 697.35 | \$ 220,192 | \$ 6,670,292 | \$ 700.00 |
| 26 H&T Consumption Charge Tier 2 MIMBTU | | \$ 0.2607 | \$ 0.0130 | \$ 0.2637 | \$ 142,055 | \$ 3,208,350 | \$ 0.2637 |
| 27 H&T Consumption Charge Tier 3 MIMBTU | | \$ 0.2056 | \$ 0.0085 | \$ 0.2151 | \$ 117,051 | \$ 2,650,282 | \$ 0.2151 |
| 28 | | \$ 0.0441 | \$ 0.0020 | \$ 0.0461 | \$ 42,703 | \$ 984,314 | \$ 0.0461 |
| 29 | | | | | \$ 18,768,287 | \$ 523,612,169 | |

Delta Sources:
 GUD10170_FINAL.xlsm

Attachment B

ATMOS ENERGY CORP., MID-TEX DIVISION
 PROOF OF REVENUES AND PROPOSED TARIFF STRUCTURE
 TEST YEAR ENDING DECEMBER 31, 2014

| (a) | (b) | (c) | (d) | (e) | (f) | (g) |
|-----|---|----------------|------------------------------------|---------------------------|-----------------------------|-------------------|
| 1 | Proposed Change in Rates: | | | | | |
| 2 | Proposed Change in Rates without Revenue Related Taxes: | \$21,066,527 | Schedule A | | | |
| 3 | | \$19,757,254 | Ln 1 divided by factor on WP_F-5.1 | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | Residential | Requirements | Allocations | | | |
| 8 | Commercial | \$ 338,431,486 | 77.95% | Per GUD 10170 Final Order | | |
| 9 | Industrial and Transportation | \$ 84,223,622 | 18.40% | Per GUD 10170 Final Order | | |
| 10 | Net Revenue Requirements GUD No. 10170 | \$ 11,460,316 | 2.65% | Per GUD 10170 Final Order | | |
| 11 | | \$ 434,145,424 | | | | |
| 12 | | | | | | |
| 17 | | | | | | |
| 18 | | | | | | |
| 19 | Rate Class | Current | Proposed Change | Proposed Rates | Proposed Change In Revenues | Proposed Revenues |
| 20 | Residential Base Charge | \$ 18.20 | \$ 0.35 | \$ 18.56 | \$ 6,351,350 | \$ 327,447,398 |
| 21 | Residential Consumption Charge | \$ 0.08819 | \$ 0.01112 | \$ 0.09931 | \$ 9,049,383 | \$ 80,817,829 |
| 22 | Commercial Base Charge | \$ 38.50 | \$ 1.37 | \$ 39.87 | \$ 2,000,584 | \$ 58,221,364 |
| 23 | Commercial Consumption Charge | \$ 0.07691 | \$ 0.00339 | \$ 0.08020 | \$ 1,634,968 | \$ 43,411,339 |
| 24 | I&T Base Charge | \$ 675.00 | \$ 22.35 | \$ 697.35 | \$ 220,192 | \$ 6,670,292 |
| 25 | I&T Consumption Charge Tier 1 MMBTU | \$ 0.2807 | \$ 0.0130 | \$ 0.2937 | \$ 142,055 | \$ 3,209,350 |
| 26 | I&T Consumption Charge Tier 2 MMBTU | \$ 0.2066 | \$ 0.0095 | \$ 0.2161 | \$ 117,051 | \$ 2,650,282 |
| 27 | I&T Consumption Charge Tier 3 MMBTU | \$ 0.0441 | \$ 0.0020 | \$ 0.0461 | \$ 42,703 | \$ 984,314 |
| 28 | | | | | | |
| 29 | | | | | \$ 18,758,287 | \$ 523,612,169 |

Data Sources:
 GUD10170_FINAL.xlsx

ATTACHMENT C TO RESOLUTION NO. R-2015-17

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

**Attachment C
RRC Tariff No:**

| | | |
|------------------------|---|--------------|
| RATE SCHEDULE: | C – COMMERCIAL SALES | |
| APPLICABLE TO: | ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS | |
| EFFECTIVE DATE: | Bills Rendered on or after 06/01/2015 | PAGE: |

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 30,000 Ccf.

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 Ccf charges to the amounts due under the riders listed below:

| Charge | Amount |
|------------------------------|--------------------------------|
| Customer Charge per Bill | \$ 40.00 per month |
| Rider CEE Surcharge | \$ 0.00 per month ¹ |
| Total Customer Charge | \$ 40.00 per month |
| Commodity Charge – All Ccf | \$ 0.08020 per Ccf |

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.

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.

¹ Reference Rider CEE - Conservation And Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2014.

ATTACHMENT C TO RESOLUTION NO. R-2015-17

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

Attachment C
RRC Tariff No:

| | | |
|------------------------|---|--------------|
| RATE SCHEDULE: | I – INDUSTRIAL SALES | |
| APPLICABLE TO: | ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS | |
| EFFECTIVE DATE: | Bills Rendered on or after 06/01/2015 | PAGE: |

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 | \$ 700.00 per month |
| First 0 MMBtu to 1,500 MMBtu | \$ 0.2937 per MMBtu |
| Next 3,500 MMBtu | \$ 0.2151 per MMBtu |
| All MMBtu over 5,000 MMBtu | \$ 0.0461 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.

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."

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.

ATTACHMENT C TO RESOLUTION NO. R-2015-17

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**Attachment C
RRC Tariff No:**

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

| | | |
|------------------------|---|--------------|
| RATE SCHEDULE: | I - INDUSTRIAL SALES | |
| APPLICABLE TO: | ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS | |
| EFFECTIVE DATE: | Bills Rendered on or after 06/01/2015 | PAGE: |

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.

ATTACHMENT C TO RESOLUTION NO. R-2015-17

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

| | | |
|------------------------|---|--------------|
| RIDER: | WNA – WEATHER NORMALIZATION ADJUSTMENT | |
| APPLICABLE TO: | ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS | |
| EFFECTIVE DATE: | Bills Rendered on or after 11/01/2015 | PAGE: |

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) 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 Ccf 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 Ccf
- R_i = Commodity Charge rate of temperature sensitive sales for the i^{th} schedule or classification.
- HSF_i = heat sensitive factor for the i^{th} schedule or classification divided by the average bill count in that class
- 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 divided by the average bill count in that class

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

$$WNA_j = WNAF_i \times q_j$$

Where q_j is the relevant sales quantity for the j th customer in i th rate schedule.

ATTACHMENT C TO RESOLUTION NO. R-2015-17

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

| | | |
|------------------------|---|--------------|
| RIDER: | WNA – WEATHER NORMALIZATION ADJUSTMENT | |
| APPLICABLE TO: | ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS | |
| EFFECTIVE DATE: | Bills Rendered on or after 11/01/2015 | PAGE: |

Base Use/Heat Use Factors

| Weather Station | <u>Residential</u> | | <u>Commercial</u> | |
|-----------------|------------------------|----------------------------|------------------------|----------------------------|
| | Base use <u>Ccf</u> | Heat use <u>Ccf/HDD</u> | Base use <u>Ccf</u> | Heat use <u>Ccf/HDD</u> |
| Abilene | 10.22 | 0.1404 | 98.80 | 0.6372 |
| Austin | 11.59 | 0.1443 | 213.62 | 0.7922 |
| Dallas | 14.12 | 0.2000 | 208.11 | 0.9085 |
| Waco | 9.74 | 0.1387 | 130.27 | 0.6351 |
| Wichita Falls | 11.79 | 0.1476 | 122.35 | 0.5772 |

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at atmosenergy.com/mbx-wna, in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and a Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

ATTACHMENT D

ATMOS ENERGY CORP. - MID-TEX DIVISION
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL
TEST YEAR ENDING DECEMBER 31, 2014

Fis Date: February 27, 2015

| Line No. | Description | Shared Services | | Mid-Tex Direct | | Adjustment Total |
|---|---|-----------------|--------------|----------------|--------------|------------------|
| | | (b) | (c) | (d) | (e) | |
| Fiscal Year 2014 Towers Watson Report (excluding Removed Cost) | | | | | | |
| 1 | Central | | | | | |
| 2 | Allocation to Mid-Tex | \$ 6,388,826 | \$ 4,542,023 | \$ 9,481,870 | \$ 165,759 | \$ 8,736,645 |
| | | 46.26% | 46.26% | 71.70% | 100.00% | 71.70% |
| FY14 Towers Watson Benefit Costs (excluding Removed Cost) | | | | | | |
| 3 | Central Allocated to MTX (Ln 1 x Ln 2) | \$ 2,955,304 | \$ 2,101,021 | \$ 6,788,531 | \$ 165,759 | \$ 6,264,334 |
| 4 | O&M and Capital Allocation Factor | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| FY14 Towers Watson Benefit Costs To Approve (excluding Removed Cost Central) (Ln 3 x Ln 4) | | | | | | |
| 5 | | \$ 2,955,304 | \$ 2,101,021 | \$ 6,788,531 | \$ 165,759 | \$ 6,264,334 |
| 6 | | | | | | |
| 7 | | | | | | |
| Summary of Costs to Approve: | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | Total Pension Account Plan ("PAP") | \$ 2,955,304 | \$ 2,101,021 | \$ 6,788,531 | | \$ 9,753,836 |
| 11 | Total Post-Retirement Medical Plan ("FAS 106") | | | | \$ 6,264,334 | \$ 8,365,358 |
| 12 | Total Supplemental Executive Retirement Plan ("SERP") | | | | \$ 165,759 | \$ 165,759 |
| 13 | Total (Ln 10 + Ln 11 + Ln 12) | \$ 2,955,304 | \$ 2,101,021 | \$ 6,788,531 | \$ 165,759 | \$ 18,284,949 |
| 14 | | | | | | |
| 15 | O&M Expense Factor | 96.82% | 96.82% | 43.03% | 21.00% | 43.03% |
| 16 | | | | | | |
| 17 | Expense Portion (Ln 13 x Ln 16) | \$ 2,831,859 | \$ 2,013,280 | \$ 2,925,800 | \$ 34,809 | \$ 2,669,721 |
| 18 | | | | | | |
| 19 | Capital Factor | 4.18% | 4.18% | 56.97% | 79.00% | 56.97% |
| 20 | | | | | | |
| 21 | Capital Portion (Ln 13 x Ln 20) | \$ 123,445 | \$ 87,761 | \$ 3,872,930 | \$ 130,949 | \$ 3,568,814 |
| 22 | | | | | | |
| 23 | Total (Ln 18 + Ln 22) | \$ 2,955,304 | \$ 2,101,021 | \$ 6,788,531 | \$ 165,759 | \$ 6,264,334 |
| 24 | | | | | | |