

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, AMENDING THE EXISTING GAS FRANCHISE BETWEEN THE CITY AND ATMOS ENERGY CORPORATION, MID-TEX DIVISION, TO PROVIDE FOR A DIFFERENT CONSIDERATION; PROVIDING AN EFFECTIVE DATE; PROVIDING FOR ACCEPTANCE BY ATMOS ENERGY CORPORATION, MID-TEX DIVISION; AND FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; AND PROVIDING AN EFFECTIVE DATE THEREOF.

WHEREAS, Atmos Energy Corporation, Mid-Tex Division ("Company"), is engaged in the business of furnishing and supplying gas to the general public in the City of Mesquite ("City"), including the transportation, delivery, sale and distribution of gas in, out of and through the City for all purposes, and is using the public streets, alleys, grounds and rights-of-way within the City for that purpose under the terms of a franchise ordinance duly passed by the governing body of the City and duly accepted by Company or its predecessor in interest; and

WHEREAS, the City and Company desire to amend said franchise ordinance to provide for a different consideration.

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

SECTION 1: That the consideration payable by Atmos Energy Corporation, Mid-Tex Division ("Company"), for the rights and privileges granted to Company by the franchise ordinance duly passed by the governing body of this City and accepted by Company or its predecessor in interest is hereby changed to be five percent of the Gross Revenues as defined in the franchise ordinance.

SECTION 2: That the franchise payments shall be made on the dates prescribed in the existing franchise and shall be for the rights and privileges as set forth in the existing franchise.

SECTION 3: That this ordinance shall take effect on May 1, 2008. Company shall, within 30 days from the receipt of this ordinance, file its written acceptance of this ordinance with the Office of the City Secretary in substantially the following form:

To the Honorable Mayor and City Council:

Atmos Energy Corporation, Mid-Tex Division, acting by and through the undersigned authorized officer, hereby accepts in all respects, on this the _____ day of _____, 2008, Ordinance No. _____ amending the current gas franchise between the City and Atmos Energy Corporation.

Atmos Energy Corporation


By: _____
Vice President, Mid-Texas Division

SECTION 4: That in all respects, except as specifically and expressly amended by this ordinance, the existing franchise ordinance heretofore duly passed by the governing body of the City shall remain in full force and effect.

SECTION 5: That the City shall provide a copy of this ordinance to Mr. David Park, Vice President of Rates and Regulatory Affairs, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1800, Dallas, Texas 75240, no later than 10 business days after its final passage and approval.

SECTION 6: That it is hereby officially found and determined that the meeting at which this ordinance was passed was open to the public as required by law, that public notice of the time, place and purpose of said meeting was given as required, and at which meeting a quorum was present and voting.

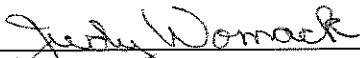
DULY PASSED AND APPROVED by the City Council of the City of Mesquite, Texas, on the 19th day of May, 2008.




John Monaco
Mayor

ATTEST:

APPROVED:



Judy Womack
City Secretary



B.J. Smith
City Attorney