

RESOLUTION NO. 46-2007

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

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

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

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

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

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

SECTION 1. That the October 25, 2007, effective date of the rate request submitted by Atmos Energy Corp., Mid-Tex Division ("Atmos" or "Company"), on or about September 20, 2007, be suspended for the maximum period allowed by law to permit adequate time to review the proposed changes and to establish reasonable rates.


SECTION 2. That the City of Mesquite, Texas ("City"), is authorized to cooperate with the Atmos Cities Steering Committee ("ACSC") and its member cities in the Mid-Tex service area to hire and direct legal counsel and consultants, negotiate with the Company, make recommendations to the City regarding reasonable rates and to direct any necessary administrative proceedings or court litigation associated with an appeal of a rate ordinance and the rate case filed with the City or Railroad Commission.

SECTION 3. That the City's reasonable rate case expenses shall be reimbursed by Atmos.

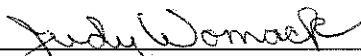
SECTION 4. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public as required by law and the public notice of the time, place and purpose of said meeting was given as required.

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


DULY RESOLVED by the City Council of the City of Mesquite, Texas, on the 2nd day of October, 2007.

  
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David Paschall  
Mayor Pro Tem

ATTEST:

  
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Judy Womack  
City Secretary

APPROVED:

  
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B. J. Smith  
City Attorney