



EVERMAN CITY COUNCIL REGULAR MEETING

Tuesday, August 13, 2024 at 6:00 PM

213 North Race Street Everman, TX 76140

AGENDA

1. MEETING CALLED TO ORDER

2. INVOCATION

3. PLEDGE OF ALLEGIANCE

4. CONSENT AGENDA

5. PRESENTATIONS

- A. Proclamation - Celebrating 48th Anniversary for Hickory Stick BBQ
- B. Recognition of Human Resources Director Jennifer Nateros on achieving her International Public Management Association for Human Resources Certified Professional (IPMA-CP) certification

6. CITIZEN'S COMMENTS

7. DISCUSSION ITEMS

- A. Discuss and Review Proposed Budget for FY2025
- B. Discuss and Consider an Ordinance creating a Mayor's Youth Advisory Council.
- C. Review and Discuss potential amendments Code of Ordinances Article IV. Garage Sales
- D. Report on Planned Community Events

8. CONSIDERATION AND POSSIBLE ACTION

- A. RESOLUTION # 2024-08-01 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EVERMAN, TEXAS, ESTABLISHING A CHARTER REVIEW COMMISSION; ESTABLISHING CHARTER REVIEW COMMISSION GUIDELINES; AND PROVIDING FOR AN EFFECTIVE DATE.
- B. RESOLUTION # 2024-08-02 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EVERMAN, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE ("ACSC") AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY'S 2024 RATE REVIEW MECHANISM FILING; 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 ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHMENT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; 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;

ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE ACSC'S LEGAL COUNSEL.

9. EXECUTIVE SESSION

- A. The City Council will convene into closed, executive session in accordance with Texas Government Code section 551.071(2) – Consultation with City Attorney, to seek legal advice regarding potential enforcement actions by the Texas Commission on Law Enforcement

10. CITY MANAGERS REPORT

11. MAYOR'S REPORT

12. ADJOURN

I hereby certify that this agenda was posted on the City of Everman bulletin board at or before 5:00 p.m. on Friday December 9, 2024.

/s/ Mindi Parks
City Secretary

Citizens may watch city council meetings live on YouTube. A link to the City of Everman YouTube channel is provided on the city website at: www.evermantx.us/government/citycouncil/

Pursuant to Texas Government Code Sec. 551.127, on a regular, non-emergency basis, members may attend and participate in the meeting remotely by video conference. Should that occur, a quorum of the members, including the presiding officer, will be physically present at the location noted above on this Agenda.

Pursuant to Section 551.071, Chapter 551 of the Texas Government Code, Council reserves the right to convene into Executive Session(s) from time to time as deemed necessary during this meeting, to receive advice from its attorney on any posted agenda item, as permitted by Law. Additionally, Council may convene into Executive Session to discuss the following:

- A. Section 551.071 - Pending or Contemplated Litigation or to Seek Advice of the City Attorney.
- B. Section 551.072 - Purchase, Sale, Exchange, Lease, or Value of Real Property.
- C. Section 551.073 - Deliberation Regarding Prospective Gift.
- D. Section 551.074 - Personnel Matters.
- E. Section 551.087- Deliberation Regarding Economic Development Negotiations.
- F. Section 551.089 - Deliberations Regarding Security Devices or Security Audits.

Citizens wishing to submit written comments should e-mail the City Secretary at mparks@evermantx.net. Comments that are received at least one-hour prior to the start of the meeting will be provided to all council members.

According to the City of Everman Policy on Governance Process, individual citizen comments will be restricted to three (3) minutes unless otherwise determined by a majority vote of the Council. The mayor is responsible to enforce the time limit. Citizens may address City Council either during the Citizen Comments portion of the meeting or during deliberation of a listed agenda item. City Council is only

permitted by Law to discuss items that are listed on the agenda. Citizens wishing to make comments should notify the City Secretary as soon as possible.

City Hall is wheelchair accessible. Parking spaces for disabled citizens are available. Requests for sign interpretative services must be made 48 hours prior to the meeting. To make arrangements, call 817.293.0525 or TDD 1.800.RELAY TX, 1.800.735.2989.

CITY OF FOREST HILL

ORDINANCE NO. 2024-07

AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF FOREST HILL, TEXAS, CHAPTER 2 "ADMINISTRATION AND PERSONNEL", ARTICLE 2.03 "BOARDS, COMMISSIONS AND COMMITTEES", BY REPEALING, REPLACING, AND RENAMING DIVISION 8 "MAYOR'S YOUTH ADVISORY COUNCIL" PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Forest Hill has determined that it is in the best interest of the City and serves the general welfare of the citizens to amend the Code of Ordinances relating to the Mayor's Youth Advisory Council address appointment, composition, purpose, duties, and related matters;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FOREST HILL, TEXAS, THAT:

SECTION 1: That the Code of Ordinances of the City of Forest Hill, Texas, is hereby amended at Chapter 2, "Administration and Personnel", Article 2.03 "Boards, Commissions, and Committees", by repealing and renaming Division 8 "Mayor's Youth Advisory Council" and replacing it to read, in its entirety, as follows:

"CHAPTER 2 ADMINISTRATION AND PERSONNEL

...

ARTICLE 2.03 BOARDS, COMMISSIONS AND COMMITTEES

...

Division 8 Forest Hill Mayor's Youth Advisory Council

Sec. 2.03.211 Composition and Eligibility Criteria

(a) The Forest Hill Mayor's Youth Advisory Council ("YAC") shall be composed of seven (7) student members, an adult City Council liaison member, and an adult School liaison member.

(b) Student members shall be active students in good standing, attending grades ten (10) through twelve (12) of a high school(s) serving the city, with preference given to currently serving members of the Student Council at high school(s) serving the City.

(c) The Mayor or the Mayor's designee shall serve as the City Council liaison member, which shall be a non-voting member.

(d) The School liaison member shall be a currently employed teaching faculty member of the high school(s) serving the City. The School liaison member shall be a non-voting member.

Sec. 2.03.212 Terms

The term of each student member and each liaison member shall commence on October 1 and expire on May 31 of each calendar year. Vacancies for unexpired terms shall be filled by appointments by the City Council and newly appointed members shall be installed at the first regular meeting following the appointment.

Sec. 2.03.213 Appointment and Removal of Members

(a) The City Council shall appoint the student members of the YAC by motion or resolution. Student members will be selected through an open application process, with preference given to students currently serving on the Student Council at the high school(s) serving the City. The application for student membership on the YAC shall be published on the city's website and distributed to the high school(s) serving the city no later than August 1 of each calendar year. Applicants must submit one letter of recommendation. Completed applications, along with all supporting documentation, must be received by the city no later than September 1 of each calendar year.

(b) The City Council shall appoint the School liaison member of the YAC by motion or resolution after having received and given preference to the nomination(s) of the principal(s) of the high school(s) serving the city.

(c) Student and adult liaison members may be removed by the City Council, by majority vote, without cause at the discretion and will of the City Council.

(d) The City Council liaison shall apprise the City Council immediately of any vacancies occurring on the YAC and the City Council shall make such appointments as necessary to fill the unexpired term of each such vacancy.

Sec. 2.03.214 Officers

The following officers shall be elected annually by majority vote of the YAC student members present and voting at the first meeting in October of each calendar year or as soon thereafter as practicable: President, Vice-President, Secretary, Historian, and Treasurer. The election of officers shall appear as the first agenda item on the agenda for the first meeting of each calendar year. Should a vacancy occur in any of the offices leaving an unexpired term, other than a vacancy under section 2.03.216, the vacancy shall be immediately filled for the remaining unexpired term by majority vote of the YAC student members present and voting.

Sec. 2.03.215 Meetings; records and reports

(a) The YAC shall meet at least monthly from October 1 to May 31 of each calendar year and more frequently as may be determined by majority vote of the YAC student members or the School liaison.

(b) The School liaison shall be responsible for securing meeting space and setting the meeting date(s) and time(s) for regular monthly meetings of the YAC, for securing meeting space for all special called meetings, and for setting the date(s) and time(s) of such special called meetings as the School liaison shall determine are necessary pursuant to subsection (a) of this section. The School liaison shall ensure that all YAC student members and the City Council liaison are advised of all meeting dates, times, and locations at least one (1) week in advance of each meeting. In selecting the location for YAC meetings, the School liaison shall give preference to available meeting spaces located at the high school(s) serving the city.

(c) The YAC shall abide by the Texas Open Meetings Act, and the City Council liaison shall coordinate this compliance with the City Secretary. The YAC shall maintain duly approved minutes of its meetings, and the YAC Secretary shall transmit a copy of the duly approved minutes for each YAC meeting to the City Secretary.

(d) The YAC shall submit a quarterly written report to the Mayor regarding the YAC's activities and focus issues for the past quarter and the planned activities and focus issues for the upcoming quarter and the remainder of the term. The Mayor may, at his/her discretion, present or request the YAC President or his/her designee to present the report to the City Council at a regularly scheduled City Council meeting. These reports shall be retained as official city records.

Sec. 2.03.216 Attendance

(a) YAC members are required to attend YAC meetings and other YAC events and activities, which include some City Council meetings, the annual statewide YAC Summit meeting, and, as applicable, the applicable high school's Leadership Classes. Three unexcused absences from regular and/or special called meetings or other required events or activities during the term from October 1 to May 31 shall result in forfeiture of membership. Upon such forfeiture, the YAC shall declare the member's position vacant, and such vacancy shall be reported to the City Council by the City Council liaison. The City Council shall forthwith make an appointment to fill the unexpired term of the vacant position.

(b) Tardiness or late arrival by more than fifteen (15) minutes to a scheduled meeting or required event or activity shall be deemed an absence.

(c) Excused absences shall include absences resulting from illness of the member or his/her immediate family member, employment, significant family or school events, and circumstances normally defined as unavoidable and out of the control of the member. To be considered an excused absence, the member must make a reasonable attempt to provide advance notification of an absence to the City Council liaison and the School liaison.

Sec. 2.03.217 City staff support

(a) The City shall provide City staff support to prepare and post the YAC agenda and minutes.

(b) The City shall provide the YAC with necessary copying and postage.

(c) The City shall provide necessary expertise and resources to the YAC for budget preparation.

(d) The City Council liaison shall:

- (1) Arrange for City provision of financial planning and oversight services and support for the YAC;
- (2) Present to the City Council in a timely manner the proposed budget and goals of the YAC;
- (3) Serve as a two-way conduit for communication between the YAC and the City Council.

Sec. 2.03.218 Purpose, Powers and Duties

- (a) The purposes of the YAC include:
 - (1) To advise City staff and City Council on matters relating to local government, particularly of interest to and/or affecting the youth of the City;
 - (2) To identify, study, investigate, plan, implement, and consult with the City staff and City Council regarding areas of improvement related to youth, including developing programs and services that empower, support, and inform youth, create a family-friendly community, and/or enable and encourage youth to be engaged, mindful residents of their community. City Council may approve or disapprove such programs and services at its sole discretion;
 - (3) To educate YAC members about municipal government, budgeting, marketing, networking, leadership, event planning, and program evaluation;
 - (4) To plan, organize, coordinate, and conduct drug- and alcohol-free social, cultural, recreational and other activities for youth of the community;
 - (5) To establish guidelines, rules, and procedures for participation in YAC-sponsored activities;
 - (6) To plan and implement City Council liaison-approved fund raising activities and events for the annual statewide YAC summit meeting; and
 - (7) To assist other City boards, commissions, and committees.

Sec. 2.03.219 Disqualification from voting

A YAC voting member shall disqualify himself or herself from voting whenever s/he finds that s/he has a unique personal or monetary interest in any project or initiative brought before the YAC or when s/he will be directly and uniquely affected by the decisions made by the YAC.”

SECTION 2: All ordinances, orders, or resolutions heretofore passed and adopted by the City Council of the City of Forest Hill, Tarrant County, Texas, are hereby repealed to the extent that said ordinances, orders, or resolutions, or parts thereof, are in conflict herewith.

SECTION 3: Should any word, sentence, paragraph, subdivision, clause, phrase, or section of this ordinance be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said ordinance, which shall remain in full force and effect.


SECTION 4. This ordinance shall be effective from and after its passage and the publication of the caption, as the law in such cases provides.

PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF FOREST HILL, TARRANT COUNTY, TEXAS, THIS THE 2ND DAY OF JULY 2024.

APPROVED:


Stephanie Boardingham, Mayor

ATTEST:


Amy L. Anderson, TRMC, CMC
City Secretary

APPROVED AS TO FORM:


Autumn Keefer, Asst. City Attorney

ARTICLE IV. GARAGE SALES¹

Sec. 11-191. Definitions.

[The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:]

Estate sale. A display or offer of sale of personal property belonging to a deceased person by the heirs, administrators or executors of the deceased person, which takes place within nine (9) months from the date of death.

Garage sale. The sale of tangible personal property or used or unwanted household items that is held in the garage, driveway or yard of the seller's residence; or the parking lot or sidewalk of a nonresidential property. The term garage sale includes the terms yard sale, estate sale, occasional sale, and similar terms.

(Ord. No. 623, § 1, 3-10-09)

Cross reference(s)—Definitions and rules of construction generally, § 1-3.

Sec. 11-192. Regulations.

- (1) *Permit required.* A permit shall be required to hold or have a garage sale. The permit may be issued to the owner or tenant of the residence, or to the owner of the nonresidential property. The sign issued by the city shall serve as the permit for the sale. The permit number shall be listed on the sign. The permit for sales on a nonresidential property shall be in addition to any special event sales or temporary outdoor sales allowed by the zoning regulations.
- (2) *Number and duration of sales.* The number of garage sales on a property shall not exceed four (4) during any calendar year period from January 1 to December 31. The duration of each sale shall not exceed three (3) consecutive calendar days, except that, if the sale is an estate sale, then the property may be displayed, offered for sale or sold for a continuous period not to exceed seven (7) consecutive calendar days, but under the following terms and conditions:
 - (a) No personal property shall be displayed, offered for sale or sold within an open garage or in a front yard.
 - (b) All displays shall be within the confines of the house.
- (3) *Conditions of sale.* Tangible personal property shall be sold only on the premises of the owner or tenant of the residential property where the sale is conducted, or on the premises of the owner of the nonresidential property where the sale is conducted. The owner or tenant must be the legal owner of such tangible personal property at the time of such sale. The items for sale shall be confined to the garage, porch, patio or

¹Editor's note(s)—Section 1 of Ord. No. 623, adopted March 10, 2009, amended Art. IV, §§ 11-191—11-194, in its entirety to read as herein set out. Former Art. IV pertained to the same subject matter and derived from the 1977 Code; Ord. No. 298, adopted Aug. 16, 1983; Ord. No. 334, adopted May 14, 1985; Ord. No. 338, adopted June 11, 1985; and Ord. No. 423, adopted Dec. 4, 1990.

yard on the premises of the residence, and to the parking lot or sidewalk on the premises of a nonresidential property. No merchandise acquired solely for the purpose of resale, shall be sold at a garage sale.

- (4) *Sales affected by rain or inclement weather.* If a property owner or tenant has purchased a garage sale permit, and the majority of the scheduled dates for the sale are affected by rain or other inclement weather, as determined by city staff, a rain-out permit may be issued at no cost provided the property owner or tenant returns the sign originally issued as the permit. The new permit must be issued within thirty (30) days of the date of the original permit. If the permit was issued for two (2) or three (3) days and the rain or inclement weather affects only one (1) day during the permit period, a rain-out permit shall not be issued.
- (5) *Multiple garage sales.* In the event of multiple garage sales in one (1) subdivision, each property participating in the event will be required to obtain a permit.
- (6) *Permit fee.* The permit fee shall be twenty-five dollars (\$25.00), fifteen dollars (\$15.00) of which shall be refunded when all of the signs are returned as required by subsection 11-193(5).

(Ord. No. 623, § 1, 3-10-09)

Sec. 11-193. Signs.

- (1) *On-premises signs.* Three (3) signs shall be issued by the city with the permit. The sign shall be posted on the property conducting the sale in a location visible from the street, as it serves as the permit for the sale. No other garage sale signs shall be permitted.
- (2) *Off-premises signs.* Up to two (2) off-premises signs may be placed on private property, subject to permission of the property owner where the sign is to be located.
- (3) *Sign locations.*
 - (a) Signs shall not be placed on utility poles, street sign poles, or other fixed objects in the city or state rights-of-way.
 - (b) Signs shall not be placed within a street median or a visibility triangle.
- (4) *Removal of signs.* Signs shall not be posted more than twenty-four (24) hours prior to the beginning of the sale. The sign advertising a garage sale shall be removed by the permittee not later than twenty-four (24) hours following the expiration of the permit.
- (5) *Return of sign.* The sign must be returned to City Hall within ten (10) days after the expiration of the permit, at which time the refund in subsection 11-192(6) shall be paid.

(Ord. No. 623, § 1, 3-10-09)

Sec. 11-194. Right to deny permit.

If any person is cited for violation of this article two (2) or more times during any twelve-month period, the City of Everman may refuse to issue that individual a permit to hold a garage sale anytime during the subsequent twelve-month period.

(Ord. No. 623, § 1, 3-10-09)

Secs. 11-195—11-215. Reserved.

RESOLUTION NO. 2024-08-01

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EVERMAN, TEXAS, ESTABLISHING A CHARTER REVIEW COMMISSION; ESTABLISHING CHARTER REVIEW COMMISSION GUIDELINES; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Everman desires to establish a charter review commission and further desires to establish guidelines for said commission for the purpose of making recommendations to the City Council for appropriate amendments to the City Charter to be approved by the voters at an election called for such purpose;

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

SECTION 1. The City Council of the City of Everman does hereby establish a Commission to review the City Charter for the purpose of making recommendations to the City Council for appropriate amendments to the City Charter to be approved by the voters at an election called for such purpose. The Commission shall consist of one member to be appointed by each City Council member and the Mayor, who are not currently members of any other City board, committee or commission, as follows:

- Mayor _____
- Place 1 _____
- Place 2 _____
- Place 3 _____
- Place 4 _____
- Place 5 _____
- Place 6 _____

The City Attorney or her designee, and the City Manager or his designee, shall be ex-officio, non-voting members. The Commission shall elect a chairperson and vice chairperson from among its members and shall complete its review and submit a written report to the City Council containing any recommendations for amendments to the City Charter within three (3) months after the members are appointed by the City Council.

SECTION 2. The City Council of the City of Everman does hereby establish charter review commission guidelines as set forth in Exhibit “A”, attached hereto and incorporated herein by this reference.

SECTION 3. This Resolution shall take effect immediately from and after its passage.

DULY RESOLVED AND ADOPTED by the City Council of the City of Everman, Texas, this ____ day of July 2024.

CITY OF EVERMAN, TEXAS

Ray Richardson, Mayor

ATTEST:

Mindi Parks, City Secretary

APPROVED AS TO FORM:

Victoria Thomas, City Attorney

Charter Review Commission Guidelines

1. Commission will conduct an organizational meeting at which:
 - (a) Chair person and vice chair person are elected by the Commission.
 - (b) The Commission establishes meeting dates and times for all meetings, with the meetings to be held twice per month in Everman City Hall.
 - (c) The Commission reviews directions or guidelines by the City Council.
 - (d) The Commission receives a briefing by the Mayor, the City Manager and/or City Attorney.
 - (e) The Commission discusses how to proceed with the review of the Charter by determining which Article or Articles to review at each meeting and in what order.
 - (f) The Commission may receive requests by the City Council and/or City Manager to review and make recommendations regarding specific portions of the Charter.
2. Commission conducts at least two meetings per month to review the Charter. At the end of each meeting the chairperson will ask for a vote and approval of recommended changes to the Charter, if any, and/or to move the review to the next portion or subject matter of the Charter, if appropriate.
3. The Commission, with the assistance of the City Attorney and/or City staff, will keep a written record (including minutes of each meeting) of any Commission-approved recommended changes to the Charter.
4. The Commission shall complete its review and make a written report to the City Council, after consultation with the City Attorney, within three (3) months after the appointment of the Commission.
5. At the conclusion of the review of the Charter, the Commission should review all prior approved Commission recommendations with the City Attorney to ensure that such recommendations are proper and legal. Then the Commission shall prepare a consolidated report to the City Council.
6. The Commission shall consist of one member appointed by the Mayor and each Council member. The City Council may remove any member from the Commission for absenteeism, or any other reason at Council's discretion.
7. A quorum of the Commission shall consist of a majority of the number of persons actually appointed to the Commission and the approval of at least a majority of the members present at a meeting is required for the approval of any recommendation to the City Council for an amendment to the City Charter.

Exhibit "A"

8. The City Manager or designee, and the City Attorney, or designee, shall be ex-officio, non-voting members.
9. The meetings of the Commission shall be conducted in compliance with the open meetings act, and shall be open to the public, except authorized closed meetings to consult with legal counsel.

4869-8954-9264, v. 1

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2024	

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	\$ 22.95 per month
Rider CEE Surcharge	\$ 0.05 per month ¹
Total Customer Charge	\$ 23.00 per month
Commodity Charge – All <u>Ccf</u>	\$0.58974 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, 2024.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2024	

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	\$ 81.75 per month
Rider CEE Surcharge	\$ 0.00 per month ¹
Total Customer Charge	\$ 81.75 per month
Commodity Charge – All Ccf	\$ 0.19033 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.

Presumption of Plant Protection Level

For service under this Rate Schedule, plant protection volumes are presumed to be 10% of normal, regular, historical usage as reasonably calculated by the Company in its sole discretion. If a customer believes it needs to be modeled at an alternative plant protection volume, it should contact the company at mdtx-div-plantprotection@atmosenergy.com.

¹ Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2024.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2024	

Application

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 200 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 200 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	\$ 1,587.75 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.6553 per MMBtu
Next 3,500 MMBtu	\$ 0.4799 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.1029 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).

Curtailement Overpull Fee

Upon notification by Company of an event of curtailement or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailement 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.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2024	

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.

Presumption of Plant Protection Level

For service under this Rate Schedule, plant protection volumes are presumed to be 10% of normal, regular, historical usage as reasonably calculated by the Company in its sole discretion. If a customer believes it needs to be modeled at an alternative plant protection volume, it should contact the company at mdtx-div-plantprotection@atmosenergy.com.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2024	

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	\$ 1,587.75 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.6553 per MMBtu
Next 3,500 MMBtu	\$ 0.4799 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.1029 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.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2024	

Curtailement 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.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2024	

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:

$$WNA_i = WNAF_i \times q_{ij}$$

Where q_{ij} is the relevant sales quantity for the j^{th} customer in i^{th} rate schedule.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2024	

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	9.52	0.1526	88.98	0.7485
Austin	8.87	0.1343	213.30	0.9142
Dallas	12.38	0.2024	185.59	1.0974
Waco	8.71	0.1219	130.62	0.7190
Wichita Falls	10.20	0.1394	117.78	0.6435

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at atmosenergy.com/mtx-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 an Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

RESOLUTION NO. 2024-08-02

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EVERMAN, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2024 RATE REVIEW MECHANISM FILING; 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 ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHMENT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; 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; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE ACSC’S LEGAL COUNSEL.

WHEREAS, the City of Everman, 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, charges, and services of Atmos Mid-Tex; and

WHEREAS, the City is a member of the Atmos Cities Steering Committee (“ACSC”), a 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 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

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 current RRM tariff was adopted by the City in a rate ordinance in 2018; and

WHEREAS, on about April 1, 2024, Atmos Mid-Tex filed its 2024 RRM rate request with ACSC Cities based on a test year ending December 31, 2023; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2024 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, the Executive Committee, as well as ACSC’s counsel and consultants, recommend that ACSC Cities approve an increase in base rates for Atmos Mid-Tex of \$164.7 million on a system-wide basis with an Effective Date of October 1, 2024; and

WHEREAS, ACSC agrees that Atmos’ plant-in-service is reasonable; and

WHEREAS, with the exception of approved plant-in-service, ACSC is not foreclosed from future reasonableness evaluation of costs associated with incidents related to gas leaks; and

WHEREAS, the attached tariffs (Attachment 1) implementing new rates are consistent with the recommendation of the ACSC Executive Committee, are agreed to by the Company, and are just, reasonable, and in the public interest; and

WHEREAS, the settlement agreement sets a new benchmark for pensions and retiree medical benefits (Attachment 2); 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 EVERMAN, TEXAS:

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

Section 2. That, without prejudice to future litigation of any issue identified by ACSC, the City Council finds that the settled amount of an increase in revenues of \$164.7 million on a system-wide basis represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex’s 2024 RRM filing, is in the public interest, and is consistent with the City’s authority under Section 103.001 of the Texas Utilities Code.

Section 3. That despite finding Atmos Mid-Tex’s plant-in-service to be reasonable, ACSC is not foreclosed in future cases from evaluating the reasonableness of costs associated with incidents involving leaks of natural gas.

Section 4. 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 1, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional \$164.7 million on a system-wide basis, over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

Section 5. That the ratemaking treatment for pensions and retiree medical benefits in Atmos Mid-Tex’s next RRM filing shall be as set forth on Attachment 2, attached hereto and incorporated herein.

Section 6. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company’s 2024 RRM filing.

Section 7. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Resolution, it is hereby repealed.

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

Section 9. 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.

Section 10. 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 October 1, 2024.

Section 11. 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 Thomas Brocato, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF _____, TEXAS, BY A VOTE OF ____ TO ____, ON THIS THE _____ DAY OF _____, 2024.

Mayor

ATTEST:

City Secretary

APPROVED AS TO FORM:

City Attorney

**ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL
TEST YEAR ENDING DECEMBER 31, 2023**

Line No.	Description	Shared Services		Mid-Tex Direct			Adjustment Total
		Pension Account Plan	Post-Employment Benefit Plan	Pension Account Plan	Post-Employment Benefit Plan	Supplemental Executive Benefit Plan	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Proposed Benefits Benchmark - Fiscal Year 2024 Willis Towers Watson Report as adjusted	\$ 1,402,365	\$ (1,146,665)	\$ 2,186,549	\$ (4,070,086)	\$ 278,107	
2	Allocation Factor	45.93%	45.93%	82.00%	82.00%	100.00%	
3	Proposed Benefits Benchmark Costs Allocated to Mid-Tex (Ln 1 x Ln 2)	\$ 644,172	\$ (526,717)	\$ 1,792,929	\$ (3,337,394)	\$ 278,107	
4	O&M and Capital Allocation Factor	100.00%	100.00%	100.00%	100.00%	100.00%	
5	Proposed Benefits Benchmark Costs to Approve (Ln 3 x Ln 4)	\$ 644,172	\$ (526,717)	\$ 1,792,929	\$ (3,337,394)	\$ 278,107	\$ (1,148,903)
6							
7	O&M Expense Factor (WP_F-2.3, Ln 2)	81.70%	81.70%	38.85%	38.85%	11.24%	
8							
9	Summary of Costs to Approve:						
10	Total Pension Account Plan	\$ 526,315		\$ 696,536			\$ 1,222,851
11	Total Post-Employment Benefit Plan		\$ (430,349)		\$ (1,296,547)		(1,726,896)
12	Total Supplemental Executive Benefit Plan					\$ 31,256	31,256
13	Total (Ln 10 + Ln 11 + Ln 12)	\$ 526,315	\$ (430,349)	\$ 696,536	\$ (1,296,547)	\$ 31,256	\$ (472,789)

**ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2023**

Line No.	Description	Current	Proposed	Change	
				Amount	Percent
	(a)	(b)	(c)	(d)	(e)
1	Rate R @ 42.8 Ccf				
2	Customer charge	\$ 22.25			
3	Consumption charge	42.8 CCF X \$ 0.48567 =	20.79		
4	Rider GCR Part A	42.8 CCF X \$ 0.27958 =	11.97		
5	Rider GCR Part B	42.8 CCF X \$ 0.47494 =	20.33		
6	Subtotal		\$ 75.34		
7	Rider FF & Rider TAX	\$ 75.34 X 0.07196 =	5.42		
8	Total		\$ 80.76		
9					
10	Customer charge		\$ 22.95		
11	Consumption charge	42.8 CCF X \$ 0.58974 =	25.24		
12	Rider GCR Part A	42.8 CCF X \$ 0.27958 =	11.97		
13	Rider GCR Part B	42.8 CCF X \$ 0.47494 =	20.33		
14	Subtotal		\$ 80.49		
15	Rider FF & Rider TAX	\$ 80.49 X 0.07196 =	5.79		
16	Total		\$ 86.28	\$ 5.52	6.84%
17					

**ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2023**

Line No.	Description	Current	Proposed	Change	
				Amount	Percent
	(a)	(b)	(c)	(d)	(e)
18	<u>Rate C @ 363.6 Ccf</u>				
19	Customer charge	\$ 72.00			
20	Consumption charge	363.6 CCF X \$ 0.18280 =	66.47		
21	Rider GCR Part A	363.6 CCF X \$ 0.27958 =	101.67		
22	Rider GCR Part B	363.6 CCF X \$ 0.33806 =	122.93		
23	Subtotal		<u>\$ 363.07</u>		
24	Rider FF & Rider TAX	\$ 363.07 X 0.07196 =	26.13		
25	Total		<u><u>\$ 389.20</u></u>		
26					
27	Customer charge		\$ 81.75		
28	Consumption charge	363.6 CCF X \$ 0.19033 =	69.21		
29	Rider GCR Part A	363.6 CCF X \$ 0.27958 =	101.67		
30	Rider GCR Part B	363.6 CCF X \$ 0.33806 =	122.93		
31	Subtotal		<u>\$ 375.56</u>		
32	Rider FF & Rider TAX	\$ 375.56 X 0.07196 =	27.03		
33	Total		<u><u>\$ 402.59</u></u>	\$ 13.39	3.44%
34					

**ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2023**

Line No.	Description	Current	Proposed	Change	
				Amount	Percent
	(a)	(b)	(c)	(d)	(e)
35	Rate I @ 1335 MMBTU				
36	Customer charge	\$ 1,382.00			
37	Consumption charge	1,335 MMBTU X \$ 0.7484 = 998.94			
38	Consumption charge	0 MMBTU X \$ 0.5963 = -			
39	Consumption charge	0 MMBTU X \$ 0.2693 = -			
40	Rider GCR Part A	1,335 MMBTU X \$ 2.7303 = 3,644.33			
41	Rider GCR Part B	1,335 MMBTU X \$ 0.7337 = 979.37			
42	Subtotal	\$ 7,004.64			
43	Rider FF & Rider TAX	\$ 7,004.64 X 0.07196 = 504.08			
44	Total			\$ 7,508.72	
45					
46	Customer charge		\$ 1,587.75		
47	Consumption charge	1,335 MMBTU X \$ 0.6553 = 874.67			
48	Consumption charge	0 MMBTU X \$ 0.4799 = -			
49	Consumption charge	0 MMBTU X \$ 0.1029 = -			
50	Rider GCR Part A	1,335 MMBTU X \$ 2.7303 = 3,644.33			
51	Rider GCR Part B	1,335 MMBTU X \$ 0.7337 = 979.37			
52	Subtotal		\$ 7,086.12		
53	Rider FF & Rider TAX	\$ 7,086.12 X 0.07196 = 509.94			
54	Total		\$ 7,596.06	\$ 87.34	1.16%
55					

**ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2023**

Line No.	Description	Current	Proposed	Change	
				Amount	Percent
	(a)	(b)	(c)	(d)	(e)
56	Rate T @ 4645 MMBTU				
57	Customer charge	\$ 1,382.00			
58	Consumption charge	1,500 MMBTU X \$ 0.5684 =	852.60		
59	Consumption charge	3,145 MMBTU X \$ 0.4163 =	1,309.08		
60	Consumption charge	0 MMBTU X \$ 0.0893 =	-		
61	Rider GCR Part B	4,645 MMBTU X \$ 0.7337 =	3,407.90		
62	Subtotal		\$ 6,951.58		
63	Rider FF & Rider TAX	\$ 6,951.58 X 0.07196 =	500.26		
64	Total		\$ 7,451.84		
65					
66	Customer charge		\$ 1,587.75		
67	Consumption charge	1,500 MMBTU X \$ 0.6553 =	982.95		
68	Consumption charge	3,145 MMBTU X \$ 0.4799 =	1,509.08		
69	Consumption charge	0 MMBTU X \$ 0.1029 =	-		
70	Rider GCR Part B	4,645 MMBTU X \$ 0.7337 =	3,407.90		
71	Subtotal		\$ 7,487.68		
72	Rider FF & Rider TAX	\$ 7,487.68 X 0.07196 =	538.84		
73	Total		\$ 8,026.52	\$ 574.68	7.71%



CITY OF EVERMAN
212 North Race Street Everman, TX 76140
STAFF REPORT

AGENDA TITLE: Everman Police Department Retention Pay Proposal
MEETING DATE: 11/01/2022
PREPARED BY: C. W. Spencer

RECOMMENDED ACTION:

Approval

BACKGROUND INFORMATION:

The City, along with 181 other Mid-Texas cities served by Atmos Energy Corporation, Mid-Tex Division (“Atmos Mid-Tex” or “Company”), is a member of the Atmos Cities Steering Committee (“ACSC”). In 2007, ACSC and Atmos Mid-Tex settled a rate application filed by the Company pursuant to Section 104.301 of the Texas Utilities Code for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism (“RRM”), as a substitute for future filings under the GRIP statute.

Since 2007, there have been several modifications to the original RRM Tariff. The most recent iteration of an RRM Tariff was reflected in an ordinance adopted by ACSC members in 2018. On or about April 1, 2024, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost-of-service in a test year ending December 31, 2023, entitled it to additional system-wide revenues of \$196.8 million.

Application of the standards set forth in ACSC’s RRM Tariff reduces the Company’s request to \$182.5 million, \$132.6 million of which would be applicable to ACSC members. After reviewing the filing and conducting discovery, ACSC’s consultants concluded that the system-wide deficiency under the RRM regime should be \$149.6 million instead of the claimed \$182.5 million.

After several settlement meetings, the parties have agreed to settle the case for \$164.7 million. This is a reduction of \$32.1 million to the Company’s initial request. This includes payment of ACSC’s expenses. The Effective Date for new rates is October 1, 2024. ACSC members should take action approving the Resolution/Ordinance before September 30, 2024.

RATE TARIFFS

Atmos generated rate tariffs attached to the Resolution/Ordinance that will generate \$164.7 million in additional revenues. Atmos also prepared a Proof of Revenues supporting the settlement figures. ACSC consultants have agreed that Atmos’ Proof of Revenues is accurate.

BILL IMPACT

The impact of the settlement on average residential rates is an increase of \$5.52 on a monthly basis, or 6.84%. The increase for average commercial usage will be \$13.39 or 3.44%. Atmos provided bill impact comparisons containing these figures.

SUMMARY OF ACSC’S OBJECTION TO THE UTILITIES CODE SECTION 104.301 GRIP PROCESS

ACSC strongly opposed the GRIP process because it constitutes piecemeal ratemaking by ignoring declining expenses and increasing revenues while rewarding the Company for increasing capital investment on an annual basis. The GRIP process does not allow any review of the reasonableness of capital investment and does not allow cities to participate in the Railroad Commission’s review of annual GRIP filings or allow recovery of Cities’ rate case expenses. The Railroad Commission undertakes a mere administrative review of GRIP filings (instead of a full hearing) and rate increases go into effect without any material adjustments. In ACSC’s view, the GRIP process unfairly raises customers’ rates without any regulatory oversight. In contrast, the RRM process has allowed for a more comprehensive rate review and annual evaluation of expenses and revenues, as well as capital investment.

RRM SAVINGS OVER GRIP

While residents outside municipal limits must pay rates governed by GRIP, there are some cities served by Atmos Mid-Tex that chose to remain under GRIP rather than adopt RRM. Additionally, the City of Dallas adopted a variation of RRM which is referred to as DARR. When new rates become effective on October 1, 2024, ACSC residents will maintain an economic monthly advantage over GRIP and DARR rates.

Comparison to Other Mid-Tex Rates (Residential)

	Average Bill	Compared to RRM Cities
RRM Cities:	\$48.19	-
DARR:	\$54.30	\$6.11
ATM Cities:	\$49.59	\$1.40
Environs:	\$49.53	\$1.34

Note: ATM Cities and Environs rates are as-filed. Also note that DARR uses a test year ending in September rather than December.

EXPLANATION OF “BE IT RESOLVED” PARAGRAPHS:

1. This section approves all findings in the Resolution/Ordinance.
2. This section adopts the RRM rate tariffs and finds the adoption of the new rates to be just, reasonable, and in the public interest.
3. This section makes it clear that Cities may challenge future costs associated with gas leaks.
4. This section finds that existing rates are unreasonable. Such finding is a necessary predicate to establishment of new rates. The new tariffs will permit Atmos Mid-Tex to recover an additional \$164.7 million on a system-wide basis.
5. This section approves an exhibit that establishes a benchmark for pensions and retiree medical benefits to be used in future rate cases or RRM filings.
6. This section requires the Company to reimburse the City for expenses associated with review of the RRM filing, settlement discussions, and adoption of the Resolution/Ordinance approving new rate tariffs.

- 7. This section repeals any resolution or ordinance that is inconsistent with the Resolution/Ordinance.
- 8. This section finds that the meeting was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.
- 9. This section is a savings clause, which provides that if any section is later found to be unconstitutional or invalid, that finding shall not affect, impair, or invalidate the remaining provisions of this Resolution/Ordinance. This section further directs that the remaining provisions of the Resolution/Ordinance are to be interpreted as if the offending section or clause never existed.
- 10. This section provides for an effective date upon passage.
- 11. This section directs that a copy of the signed Resolution/Ordinance be sent to a representative of the Company and legal counsel for ACSC.

CONCLUSION

The Legislature’s GRIP process allowed gas utilities to receive annual rate increases associated with capital investments. The RRM process has proven to result in a more efficient and less costly (both from a consumer rate impact perspective and from a ratemaking perspective) than the GRIP process. Given Atmos Mid-Tex’s claim that its historic cost of service should entitle it to recover \$196.8 million in additional system-wide revenues, the RRM settlement at \$164.7 million for ACSC members reflects substantial savings to ACSC cities. Settlement at \$164.7 million is fair and reasonable. The ACSC Executive Committee consisting of city employees of 18 ACSC members urges all ACSC members to pass the Resolution/Ordinance before September 30, 2024. New rates become effective October 1, 2024.