

**City Messaging**  
**2015 RRM Rate Filing**  
**Atmos Energy – Mid-Tex Division**  
**May 2015**

- Atmos Energy Mid-Tex Division initiated a Rate Review Mechanism (RRM) process, in collaboration with its cities, from 2008 through 2011. Following the 2012 rate case (i.e., GUD 10170), Atmos Energy and the city coalitions expressed mutual interest in creating a new RRM process.
- The RRM is a systematic process collaboratively developed by Atmos Energy (Mid-Tex Division) and the city coalitions, specifying how rates will be set over a specified period of time.
- Your coalitions provided an ordinance approving the RRM for CY 13 and CY 14. The \$65.7M referenced in the documents provided by your attorney represents the settlement of the two RRM filings (CY 13 and CY 14). The CY 14 filing represents a \$21.9 million increase over current rates.
- Benefits of the RRM process:
  - Suspends Gas Reliability Infrastructure Program (GRIP) filings
  - Avoids costly rate case expenses that would be borne by customers
  - Provides transparent process for annual review of all Company expenses and investment
  - Provides for certain caps and discounts negotiated by your attorneys
  - Limits growth to residential customer charge to \$0.40 with this current RRM settlement.
- Overall impact to customers:
  - Average Residential customer (using 46.1 Ccf a month) will have an increase of \$0.97/month or 1.63%
  - Average Commercial customer (using 370.7 Ccf a month) will have an increase of \$2.95/month or .88%
  - Average Industrial customer (4,527 MMBtu) will have an increase of \$78.10/month or 1.31%
  - Average Transportation customer (4,527MMBtu) will have an increase of \$78.10/month or 2.34%

**ATMOS ENERGY CORP., MID-TEX DIVISION  
AVERAGE BILL COMPARISON - BASE RATES  
TEST YEAR ENDING DECEMBER 31, 2014**

Line						June 1, 2015							
						PROPOSED	CHANGE	Current	Proposed	Base	GCR	FF&TAX	Total
1	<b>Rate R @ 46.1 Ccf</b>				<b>CURRENT</b>								
2	Customer charge				\$ 18.20					\$22.27	33.46	3.69	59.42
3	Consumption charge	46.1	CCF	X \$ 0.08819 =	4.07					\$23.18	33.46	3.75	60.39
4	Rider GCR Part A	46.1	CCF	X \$ 0.52875 =	24.38					0.91	0.00	0.06	0.97
5	Rider GCR Part B	46.1	CCF	X \$ 0.19703 =	9.08					4.09%	0.00%	1.63%	1.63%
6	Subtotal				\$ 55.73								
7	Rider FF & Rider TAX	\$ 55.73		X 0.06627 =	3.69								
8	Total				\$ 59.42								
9													
10	Customer charge				\$ 18.60								
11	Consumption charge	46.1	CCF	X \$ 0.09931 =	4.58								
12	Rider GCR Part A	46.1	CCF	X \$ 0.52875 =	24.38								
13	Rider GCR Part B	46.1	CCF	X \$ 0.19703 =	9.08								
14	Subtotal				\$ 56.64								
15	Revenue-related Tax Reimbursement	\$ 56.64		X 0.06627 =	3.75								
16	Total				\$ 60.39		\$0.97						
17							1.63%						
18													
19	<b>Rate C @ 370.7 Ccf</b>				<b>CURRENT</b>								
20	Customer charge				\$ 38.50					\$ 66.97	248.46	20.90	336.33
21	Consumption charge	370.7	CCF	X \$ 0.07681 =	28.47					\$69.73	248.46	21.09	339.28
22	Rider GCR Part A	370.7	CCF	X \$ 0.52875 =	195.99					2.76	0.00	0.19	2.95
23	Rider GCR Part B	370.7	CCF	X \$ 0.14156 =	52.47					4.12%	0.00%	0.91%	0.88%
24	Subtotal				\$ 315.43								
25	Revenue-related Tax Reimbursement	\$ 315.43		X 0.06627 =	20.90								
26	Total				\$ 336.33								
27													
28	Customer charge				\$ 40.00								
29	Consumption charge	370.7	CCF	X \$ 0.08020 =	29.73								
30	Rider GCR Part A	370.7	CCF	X \$ 0.52875 =	195.99								
31	Rider GCR Part B	370.7	CCF	X \$ 0.14156 =	52.47								
32	Subtotal				\$ 318.19								
33	Revenue-related Tax Reimbursement	\$ 318.19		X 0.06627 =	21.09								
34	Total				\$ 339.28		\$2.95						
35							0.88%						
36	<b>Rate I @ 4527 MMBTU</b>				<b>CURRENT</b>								
37	Customer charge				\$ 675.00					\$1,718.41	3,864.05	369.94	5,952.40
38	Consumption charge	1,500	MMBTU	X \$ 0.2807 =	421.05					\$1,791.66	3,864.05	374.79	6,030.50
39	Consumption charge	3,027	MMBTU	X \$ 0.2056 =	622.36					73.25	0.00	4.85	78.10
40	Consumption charge	0	MMBTU	X \$ 0.0441 =	-					4.26%	0.00%	1.31%	1.31%
41	Rider GCR Part A	4,527	MMBTU	X \$ 0.5414 =	2,451.11					3.96%	0.00%	1.41%	1.41%
42	Rider GCR Part B	4,527	MMBTU	X \$ 0.3121 =	1,412.94								
43	Subtotal				\$ 5,582.46								
44	Revenue-related Tax Reimbursement	\$ 5,582.46		X 0.06627 =	369.94								
45	Total				\$ 5,952.40								
46													
47	Customer charge				\$ 700.00								
48	Consumption charge	1,500	MMBTU	X \$ 0.2937 =	440.55								
49	Consumption charge	3,027	MMBTU	X \$ 0.2151 =	651.11								
50	Consumption charge	0	MMBTU	X \$ 0.0461 =	-								
51	Rider GCR Part A	4,527	MMBTU	X \$ 0.5414 =	2,451.11								
52	Rider GCR Part B	4,527	MMBTU	X \$ 0.3121 =	1,412.94								
53	Subtotal				\$ 5,655.71								
54	Revenue-related Tax Reimbursement	\$ 5,655.71		X 0.06627 =	374.79								
55	Total				\$ 6,030.50		\$78.10		78.10				
56							1.31%		1.31%				
57	<b>Rate T @ 4527 MMBTU</b>				<b>CURRENT</b>								
58	Customer charge				\$ 675.00					\$1,718.41	1,412.94	207.51	3,338.86
59	Consumption charge	1,500	MMBTU	X \$ 0.2807 =	421.05					\$1,791.66	1,412.94	212.36	3,416.96
60	Consumption charge	3,027	MMBTU	X \$ 0.2056 =	622.36					73.25	0.00	4.85	78.10
61	Consumption charge	0	MMBTU	X \$ 0.0441 =	-					4.26%	0.00%	2.34%	2.34%
62	Rider GCR Part B	4,527	MMBTU	X \$ 0.3121 =	1,412.94					3.96%	0.00%	1.41%	1.41%
63	Subtotal				\$ 3,131.35								
64	Revenue-related Tax Reimbursement	\$ 3,131.35		X 0.06627 =	207.51								
65	Total				\$ 3,338.86								
66													
67	Customer charge				\$ 700.00								
68	Consumption charge	1,500	MMBTU	X \$ 0.2937 =	440.55								
69	Consumption charge	3,027	MMBTU	X \$ 0.2151 =	651.11								
70	Consumption charge	0	MMBTU	X \$ 0.0461 =	-								
71	Rider GCR Part B	4,527	MMBTU	X \$ 0.3121 =	1,412.94								
72	Subtotal				\$ 3,204.60								
73	Revenue-related Tax Reimbursement	\$ 3,204.60		X 0.06627 =	212.36								
74	Total				\$ 3,416.96		\$78.10		78.10				
75							2.34%		2.34%				

**ATMOS ENERGY CORP., MID-TEX DIVISION  
AVERAGE BILL COMPARISON - BASE RATES  
TEST YEAR ENDING DECEMBER 31, 2013**

Line						June 1, 2014							
						PROPOSED	CHANGE	Current	Proposed	Base	GCR	FF&TAX	Total
1	<b>Rate R @ 44.4 Ccf</b>					<b>CURRENT</b>							
2	Customer charge					\$ 17.70				\$20.29	25.04	2.76	48.09
3	Consumption charge	44.4	CCF	X \$ 0.05831 =		2.59				\$22.12	25.04	2.87	50.03
4	Rider GCR Part A	44.4	CCF	X \$ 0.39792 =		17.67				1.83	0.00	0.11	1.94
5	Rider GCR Part B	44.4	CCF	X \$ 0.16605 =		7.37				9.02%	0.00%	3.99%	4.03%
6	Subtotal					\$45.33							
7	Rider FF & Rider TAX	\$ 45.33		X 0.06084 =		2.76							
8	Total					\$48.09							
9													
10	Customer charge					\$ 18.20							
11	Consumption charge	44.4	CCF	X \$ 0.08819 =		3.92							
12	Rider GCR Part A	44.4	CCF	X \$ 0.39792 =		17.67							
13	Rider GCR Part B	44.4	CCF	X \$ 0.16605 =		7.37							
14	Subtotal					\$47.16							
15	Revenue-related Tax Reimbursement	\$ 47.16		X 0.06084 =		2.87							
16	Total					\$50.03	\$1.94						
17							4.03%						
18													
19	<b>Rate C @ 346.9 Ccf</b>					<b>CURRENT</b>							
20	Customer charge					\$ 35.75				\$ 59.66	180.57	14.62	254.85
21	Consumption charge	346.9	CCF	X \$ 0.06893 =		23.91				\$65.14	180.57	14.95	260.66
22	Rider GCR Part A	346.9	CCF	X \$ 0.39792 =		138.03				5.48	0.00	0.33	5.81
23	Rider GCR Part B	346.9	CCF	X \$ 0.12265 =		42.54				9.19%	0.00%	2.26%	2.28%
24	Subtotal					\$240.23							
25	Revenue-related Tax Reimbursement	\$ 240.23		X 0.06084 =		14.62							
26	Total					\$254.85							
27													
28	Customer charge					\$ 38.50							
29	Consumption charge	346.9	CCF	X \$ 0.07681 =		26.64							
30	Rider GCR Part A	346.9	CCF	X \$ 0.39792 =		138.03							
31	Rider GCR Part B	346.9	CCF	X \$ 0.12265 =		42.54							
32	Subtotal					\$245.71							
33	Revenue-related Tax Reimbursement	\$ 245.71		X 0.06084 =		14.95							
34	Total					\$260.66	\$5.81						
35							2.28%						
36	<b>Rate I @ 4265 MMBTU</b>					<b>CURRENT</b>							
37	Customer charge					\$ 620.00				\$1,524.25	2,887.63	268.42	4,680.30
38	Consumption charge	1,500	MMBTU	X \$ 0.2565 =		384.75				\$1,664.48	2,887.63	276.95	4,829.06
39	Consumption charge	2,765	MMBTU	X \$ 0.1879 =		519.50				140.23	0.00	8.53	148.76
40	Consumption charge	0	MMBTU	X \$ 0.0403 =		0.00				9.20%	0.00%	3.18%	3.18%
41	Rider GCR Part A	4,265	MMBTU	X \$ 0.4075 =		1,737.74				9.14%	0.00%	3.60%	3.60%
42	Rider GCR Part B	4,265	MMBTU	X \$ 0.2696 =		1,149.89							
43	Subtotal					\$4,411.88							
44	Revenue-related Tax Reimbursement	\$ 4,411.88		X 0.06084 =		268.42							
45	Total					\$4,680.30							
46													
47	Customer charge					\$ 675.00							
48	Consumption charge	1,500	MMBTU	X \$ 0.2807 =		421.05							
49	Consumption charge	2,765	MMBTU	X \$ 0.2056 =		568.43							
50	Consumption charge	0	MMBTU	X \$ 0.0441 =		0.00							
51	Rider GCR Part A	4,265	MMBTU	X \$ 0.4075 =		1,737.74							
52	Rider GCR Part B	4,265	MMBTU	X \$ 0.2696 =		1,149.89							
53	Subtotal					\$4,552.11							
54	Revenue-related Tax Reimbursement	\$ 4,552.11		X 0.06084 =		276.95							
55	Total					\$4,829.06	\$148.76	148.76					
56							3.18%	3.18%					
57	<b>Rate T @ 4265 MMBTU</b>					<b>CURRENT</b>							
58	Customer charge					\$ 620.00				\$1,524.25	1,149.89	162.70	2,836.84
59	Consumption charge	1,500	MMBTU	X \$ 0.2565 =		384.75				\$1,664.48	1,149.89	171.23	2,985.60
60	Consumption charge	2,765	MMBTU	X \$ 0.1879 =		519.50				140.23	0.00	8.53	148.76
61	Consumption charge	0	MMBTU	X \$ 0.0403 =		0.00				9.20%	0.00%	5.24%	5.24%
62	Rider GCR Part B	4,265	MMBTU	X \$ 0.2696 =		1,149.89				9.14%	0.00%	3.60%	3.60%
63	Subtotal					\$2,674.14							
64	Revenue-related Tax Reimbursement	\$ 2,674.14		X 0.06084 =		162.70							
65	Total					\$2,836.84							
66													
67	Customer charge					\$ 675.00							
68	Consumption charge	1,500	MMBTU	X \$ 0.2807 =		421.05							
69	Consumption charge	2,765	MMBTU	X \$ 0.2056 =		568.43							
70	Consumption charge	0	MMBTU	X \$ 0.0441 =		0.00							
71	Rider GCR Part B	4,265	MMBTU	X \$ 0.2696 =		1,149.89							
72	Subtotal					\$2,814.37							
73	Revenue-related Tax Reimbursement	\$ 2,814.37		X 0.06084 =		171.23							
74	Total					\$2,985.60	\$148.76	148.76					
75							5.24%	5.24%					