

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 38-2021**

A RESOLUTION APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2021 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 ATTACHED EXHIBIT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; APPROVING AN ATTACHED EXHIBIT REGARDING AMORTIZATION OF REGULATORY LIABILITY; 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 Kerrville, 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, 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 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 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 21, 2021, Atmos Mid-Tex filed its 2020 RRM rate request with ACSC Cities based on a test year ending December 31, 2020; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2021 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 \$22.78 million applicable to ACSC Cities with an Effective Date of December 1, 2021; 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 two month delayed Effective Date from October 1 to December 1 will save ACSC ratepayers approximately \$3.8 million off new rates imposed by the attached tariffs (**Exhibit A**); and

WHEREAS, the attached tariffs (**Exhibit A**) 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 (**Exhibit B**); and

WHEREAS, the settlement agreement establishes an amortization schedule for regulatory liability prepared by Atmos Mid-Tex (**Exhibit C**); 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 KERRVILLE, KERR COUNTY, TEXAS:

SECTION ONE. The findings set forth in this Resolution are hereby in all things approved.

SECTION TWO. Without prejudice to future litigation of any issue identified by ACSC, City Council finds that the settled amount of an increase in revenues of \$22.78 million for ACSC Cities 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 2021 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 THREE. 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 FOUR. The existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as **Exhibit A**, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional \$22.78 million from customers in ACSC Cities, over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

SECTION FIVE. The ratemaking treatment for pensions and retiree medical benefits in Atmos Mid-Tex's next RRM filing shall be as set forth on **Exhibit B**, attached hereto and incorporated herein.

SECTION SIX. Subject to any future settlement or decision regarding the balance of Excess Deferred Income Tax to be refunded to ratepayers, the amortization of regulatory liability shall be consistent with the schedule found in **Exhibit C**, attached hereto and incorporated herein.

SECTION SEVEN. Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's 2021 RRM filing.

SECTION EIGHT. To the extent any resolution or ordinance previously adopted by City Council is inconsistent with this Resolution, it is hereby repealed.

SECTION NINE. 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 TEN. 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 ELEVEN. 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 December 1, 2021.

SECTION TWELVE. 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.

PASSED AND APPROVED ON this the 24 day of August A.D., 2021.


Bill Blackburn, Mayor

APPROVED AS TO FORM:


Michael C. Hayes, City Attorney

ATTEST:


Shelley McElhannon, City Secretary

Exhibit A
to 2021 RRM Resolution or Ordinance

Mid-Tex Tariffs
Effective December 1, 2021

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 12/01/2021	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	\$ 20.85 per month
Rider CEE Surcharge	\$ 0.05 per month ¹
Total Customer Charge	\$ 20.90 per month
Commodity Charge – All <u>Ccf</u>	\$0.27979 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, 2021.

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 12/01/2021	PAGE: 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	\$ 56.50 per month
Rider CEE Surcharge	\$ 0.01 per month ¹
Total Customer Charge	\$ 56.51 per month
Commodity Charge – All Ccf	\$ 0.12263 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, 2021.

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 12/01/2021	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	\$ 1,054.75 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.4330 per MMBtu
Next 3,500 MMBtu	\$ 0.3171 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0680 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.

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 12/01/2021	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.

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2021	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	\$ 1,054.75 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.4330 per MMBtu
Next 3,500 MMBtu	\$ 0.3171 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0680 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.

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2021	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.

**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 12/01/2021	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:

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

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 12/01/2021	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	11.88	0.1459	85.39	0.6996
Austin	10.34	0.1452	194.82	0.9398
Dallas	15.21	0.1915	148.19	1.0986
Waco	10.63	0.1373	130.39	0.7436
Wichita Falls	12.63	0.1398	109.17	0.5803

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.

Exhibit B
to 2021 RRM Resolution or Ordinance

Mid-Tex
2021 Benchmark for Pensions
and Retiree Benefits

ATMOS ENERGY CORP., MID-TEX DIVISION
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL
TEST YEAR ENDING DECEMBER 31, 2020

Line No.	Description (a)	Shared Services (b)		Post-Employment Benefit Plan (c)		Pension Account Plan (d)		Mid-Tex Direct Supplemental Executive Benefit Plan (e)		Post-Employment Benefit Plan (f)		Adjustment Total (g)
		Pension Account Plan		Benefit Plan		Account Plan		Plan		Benefit Plan		
1	Proposed Benefits Benchmark - Fiscal Year 2021 Willis Towers Watson Report as adjusted (1) (2) (3)	\$ 2,917,949	\$	4,908,358	\$	5,447,063	\$	293,818	\$	6,600,073		
2	Allocation to Mid-Tex	43.68%		43.68%		76.11%		100.00%		76.11%		
3	Proposed Benefits Benchmark Costs Allocated to Mid-Tex (Ln 1 x Ln 2)	\$ 1,274,655	\$	2,144,130	\$	4,145,546	\$	293,818	\$	5,023,057		
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) (3)	\$ 1,274,655	\$	2,144,130	\$	4,145,546	\$	293,818	\$	5,023,057	\$	12,881,205
6												
7												
8	Summary of Costs to Approve (1):											
9												
10	O&M Expense Factor (WP_F-2.3, Ln 2)	75.07%		75.07%		38.66%		11.00%		38.66%		
11												
12												
13	Total Pension Account Plan	\$ 956,873	\$	1,609,582	\$	1,602,484	\$		\$		\$	2,559,357
14	Total Post-Employment Benefit Plan										\$ 1,941,691	3,551,272
15	Total Supplemental Executive Benefit Plan								\$ 32,322			32,322
16	Total (Ln 13 + Ln 14 + Ln 15)	\$ 956,873	\$	1,609,582	\$	1,602,484	\$	32,322	\$	1,941,691	\$	6,142,952
17												

Notes:

- Studies not applicable to Mid-Tex or Shared Services are omitted.
- Mid-Tex is proposing that the Fiscal Year 2021 Willis Towers Watson actuarial amounts shown on WP_F-2.3 and WP_F-2.3.1, be approved by the RRM Cities as the benchmark amounts to be used to calculate the regulatory asset or liability for future periods. The benchmark amount approved by the RRM Cities for future periods includes only the expense amount. The amount attributable to capital is recorded to utility plant through the overhead process as described in the CAM.
- SSU amounts exclude cost centers which do not allocate to Mid-Tex for rate making purposes.

Exhibit C
to 2021 RRM Resolution or Ordinance

Mid-Tex 2021 Schedule for
Amortization for Regulatory Liability

ATMOS ENERGY CORP., MID-TEX DIVISION
RATE BASE ADJUSTMENTS
TEST YEAR ENDING DECEMBER 31, 2020
AMORTIZATION OF REGULATORY LIABILITY

Line No.	Year Ended Dec. 31	Beginning Protected Balance	Protected Amortization	Ending Protected Balance	Beginning Unprotected Balance	Unprotected Amortization	Ending Unprotected Balance	Total Protected & Unprotected Amortization	Total Protected & Unprotected Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	2017 (3)	\$ -	\$ -	\$ (51,477,654)	\$ -	\$ -	\$ 343,746,535	\$ -	\$ 292,268,881
2	2018	(51,477,654)	494,977	(50,982,677)	343,746,535	(3,513,868)	340,232,667	(3,018,891)	289,249,991
3	2019	(50,982,677)	1,979,910	(49,002,767)	340,232,667	(14,057,872)	326,174,795	(12,077,963)	277,172,028
4	2020	(49,002,767)	1,979,910	(47,022,857)	326,174,795	(13,988,908)	312,185,886	(12,008,999)	265,163,029
5	2021	(47,022,857)	3,464,842	(43,558,015)	312,185,886	(26,390,127)	285,795,760	(22,925,284)	242,237,745
6	2022	(43,558,015)	1,979,910	(41,578,105)	285,795,760	(60,167,528)	225,628,231	(58,187,619)	184,050,126
7	2023	(41,578,105)	1,979,910	(39,598,195)	225,628,231	(60,167,528)	165,460,703	(58,187,619)	125,862,508
8	2024	(39,598,195)	1,979,910	(37,618,286)	165,460,703	(60,167,528)	105,293,175	(58,187,619)	67,674,889
9	2025	(37,618,286)	1,979,910	(35,638,376)	105,293,175	(60,167,528)	45,125,646	(58,187,619)	9,487,270
10	2026	(35,638,376)	1,979,910	(33,658,466)	45,125,646	(45,125,646)	(0)	(43,145,737)	(33,658,466)
11	2027	(33,658,466)	1,979,910	(31,678,556)	(0)	0	1,979,910	1,979,910	(31,678,556)
12	2028	(31,678,556)	1,979,910	(29,698,647)	-	-	1,979,910	1,979,910	(29,698,647)
13	2029	(29,698,647)	1,979,910	(27,718,737)	-	-	1,979,910	1,979,910	(27,718,737)
14	2030	(27,718,737)	1,979,910	(25,738,827)	-	-	1,979,910	1,979,910	(25,738,827)
15	2031	(25,738,827)	1,979,910	(23,758,917)	-	-	1,979,910	1,979,910	(23,758,917)
16	2032	(23,758,917)	1,979,910	(21,779,007)	-	-	1,979,910	1,979,910	(21,779,007)
17	2033	(21,779,007)	1,979,910	(19,799,098)	-	-	1,979,910	1,979,910	(19,799,098)
18	2034	(19,799,098)	1,979,910	(17,819,188)	-	-	1,979,910	1,979,910	(17,819,188)
19	2035	(17,819,188)	1,979,910	(15,839,278)	-	-	1,979,910	1,979,910	(15,839,278)
20	2036	(15,839,278)	1,979,910	(13,859,368)	-	-	1,979,910	1,979,910	(13,859,368)
21	2037	(13,859,368)	1,979,910	(11,879,459)	-	-	1,979,910	1,979,910	(11,879,459)
22	2038	(11,879,459)	1,979,910	(9,899,549)	-	-	1,979,910	1,979,910	(9,899,549)
23	2039	(9,899,549)	1,979,910	(7,919,639)	-	-	1,979,910	1,979,910	(7,919,639)
24	2040	(7,919,639)	1,979,910	(5,939,729)	-	-	1,979,910	1,979,910	(5,939,729)
25	2041	(5,939,729)	1,979,910	(3,959,820)	-	-	1,979,910	1,979,910	(3,959,820)
26	2042	(3,959,820)	1,979,910	(1,979,910)	-	-	1,979,910	1,979,910	(1,979,910)
27	2043	(1,979,910)	1,979,910	0	-	-	1,979,910	1,979,910	0
28									
29	Revenue Related Tax Factor				See WP_F-5.1			6.79%	
30	Revenue Related Taxes on Annual Amortization				Amortization * Tax Factor		\$	3,949,355	
31	Amortization Including Revenue Related Taxes				Amortization + Taxes		\$	62,136,973	
32									

Notes:

1. The annual amortization of the protected balance is a 26 year recovery period based on the Reverse South Georgia Method. The annual amortization of the unprotected balance is 5 years.
2. The Regulatory Liability is recorded to FERC Accounts 253 and 242, Sub Account 27909.
3. This is the final Mid-Tex liability balance filing the Fiscal Year 2018 tax return.

**Attachment 1 to
Model Staff Report**

2021 RRM

Proof of Revenues

*These docs are attached
to AB*

ATMOS ENERGY CORP., MID-TEX DIVISION
RRM CITIES RATE REVIEW MECHANISM
PROOF OF REVENUES - RRM CITIES
TEST YEAR ENDING DECEMBER 31, 2020

Line No.	Customer Class (a)	Current (b)	Proposed (c)	Bills (d)	Ccf/MmBtu (e)	Current Revenues (f)	Proposed Revenues (g)	Increase (h)
1	Residential							
2	Customer Charge	\$	20.25	\$		\$ 280,698,048	\$ 289,015,027	\$ 8,316,979
3	Consumption Charge	0.26651	0.27979	13,861,632	627,298,034	167,181,199	175,511,717	\$ 8,330,518
4	Revenue Related Taxes					30,398,805	31,528,717	
5	Total Class Revenue					\$ 478,278,052	\$ 496,055,461	\$ 17,777,409
6								
7	Commercial							
8	Customer Charge	\$	54.50	\$		\$ 59,642,184	\$ 61,830,888	\$ 2,188,704
9	Consumption Charge	0.11728	0.12263	1,094,352	363,850,875	42,672,431	44,619,033	\$ 1,946,602
10	Revenue Related Taxes					6,944,376	7,225,051	
11	Total Class Revenue					\$ 109,258,991	\$ 113,674,972	\$ 4,415,981
12								
13	Industrial & Transportation							
14	Customer Charge	\$	1,014.50	\$		\$ 7,158,312	\$ 7,442,316	\$ 284,004
15	Consumption Charge Tier 1	\$	0.4157	\$	7,479,741	3,109,328	3,238,728	\$ 129,400
16	Consumption Charge Tier 2	\$	0.3044	\$	8,282,846	2,521,298	2,626,490	\$ 105,192
17	Consumption Charge Tier 3	\$	0.0653	\$	13,018,926	850,136	885,287	\$ 35,151
18	Revenue Related Taxes					925,722	963,306	
19	Total Class Revenue					\$ 14,564,796	\$ 15,156,127	\$ 591,331
20								
21	Total Excluding Other Revenue					\$ 602,101,840	\$ 624,886,561	\$ 22,784,721
22								
23	Revenue Related Tax Factor		6.7873%					
24								

**Attachment 2
to 2021 RRM Staff Report**

Bill Impact

Line No.	Rate R @ 45.2 Ccf					Current	Proposed	Change
1						\$		
2	Customer charge					20.25		
3	Consumption charge					12.05		
4	Rider GCR Part A					7.23		
5	Rider GCR Part B					15.06		
6	Subtotal					\$ 54.59		
7	Rider FF & Rider TAX					3.71		
8	Total					\$ 58.30		
9								
10	Customer charge						\$ 20.85	
11	Consumption charge						12.65	
12	Rider GCR Part A						7.23	
13	Rider GCR Part B						15.06	
14	Subtotal						\$ 55.79	
15	Rider FF & Rider TAX						3.79	\$ 1.28
16	Total						\$ 59.58	2.20%
17								
18								
19	Rate C @ 332.5 Ccf							
20	Customer charge					\$ 54.50		
21	Consumption charge					38.99		
22	Rider GCR Part A					53.20		
23	Rider GCR Part B					87.51		
24	Subtotal					\$ 234.20		
25	Rider FF & Rider TAX					15.90		
26	Total					\$ 250.10		
27								
28	Customer charge						\$ 56.50	
29	Consumption charge						40.77	
30	Rider GCR Part A						53.20	
31	Rider GCR Part B						87.51	
32	Subtotal						\$ 237.98	
33	Rider FF & Rider TAX						16.15	\$ 4.03
34	Total						\$ 254.13	1.61%
35								

**Attachment 3
to 2021 RRM Staff Report**

RRM Monthly Savings Over GRIP and DARR Rates

ATMOS ENERGY CORP., MID-TEX DIVISION
RESIDENTIAL AVERAGE BILL COMPARISON
(EXCLUDING GAS COSTS)

	ACSC	DARR	ATM	ENVIRONS
	Settled	Settled	Filing	Filing
Customer Charge	\$20.85	\$23.80	\$27.68	\$25.90
Monthly Ccf [1]	45.2	52.7	45.2	45.2
Consumption Charge	\$0.27979	\$0.19526	\$0.14846	\$0.18653
Average Monthly Bill	\$33.50	\$34.09	\$34.39	\$34.33
		-\$0.60	-\$0.89	-\$0.83

[1] Recognizes that average normal usage for Dallas residential customers is greater than Mid-Tex average.