Regular Meeting of the:

Pampa City Commission
March 11, 2014
4:00 p.m.

City of Pampa
201 W. Kingsmill St.
P.O. Box 2499
Pampa, Texas  79066-2499
Phone: 806-669-5750
Fax: 806-669-5767
PLEDGE OF ALLEGIANCE TO TEXAS FLAG

“HONOR THE TEXAS FLAG; I PLEDGE ALLEGIANCE TO THEE; TEXAS, ONE STATE UNDER GOD, ONE AND INDIVISIBLE.
Notice is hereby given of a PUBLIC HEARING/REGULAR MEETING of the City Commission of the City of Pampa, Texas to be held on TUESDAY, MARCH 11, 2014 at 4:00 p.m. at City Hall – City Commission Chamber, Third Floor, 201 W. Kingsmill, Pampa, Texas, for the purpose of considering the following agenda items.

All agenda items are subject to action. The City Commission reserves the right to adjourn into Executive Session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

CALL TO ORDER

INVOCATION

PLEDGE OF ALLEGIANCE

PLEDGE ALLEGIANCE TO TEXAS FLAG

PUBLIC HEARING: The City Commission of the City of Pampa will conduct a Public Hearing for the purpose of hearing public comments concerning the following request: Variance request from Open Range Development LLC in the Edwin Park Subdivision which will result in an amendment to City of Pampa Zoning Ordinance 690. The request is specific to the following blocks and lots for the Edwin Park Re-Plat recorded in Volume 993, Page 798, OPR in the County Deed Records: Block 1, Lots 2 through 10, Block 2, Lots 1 through 8 and Lots 10 through 12, and Block 3, Lots 3 through 9. Section 8.2 Lot Width and Section 8.6 Side Yard of the Code of Ordinances will be amended to reflect Variance request. Public comments on the proposed Variance request will be heard by the City Commission.

PUBLIC COMMENTS:
Citizens who have signed a card to speak to the City Commission will be heard at this time. In compliance with the Texas Open Meetings Act, unless the subject matter of the presentation is on the agenda, the City Staff and City Commission Members are prevented from discussing the subject and may respond only with statements of factual information or existing city policy. Citizens are limited to three (3) minutes for their presentation to the City Commission.

AUTHORIZATIONS BY CITY COMMISSION:

1. Consider approving the minutes of the February 25, 2014 regular City Commission Meeting as presented.
2. Excuse the absence of Commissioners John Studebaker and Chris Porter from the February 25, 2014 regular City Commission Meeting.

3. Consider adopting on second and final reading Ordinance No. 1612, an Ordinance of the City of Pampa granting to Southwestern Public Service Company ("SPS") d/b/a Xcel Energy, the right, privilege and franchise to conduct within the City of Pampa electrical lighting and power business.

4. Consider adopting on second and final reading Ordinance No. 1613, an Ordinance of the City of Pampa increasing administrative expenses for abatement and for building demolition.

5. Consider approving on first reading Ordinance No. 1614, an Ordinance of the City of Pampa approving a negotiated settlement agreement between the steering committee of cities served by Atmos West Texas and Atmos Energy Corporation, West Division.

6. Consider approving on first reading Ordinance No. 1615, an Ordinance of the City of Pampa amending Section 8, Area Regulations, Part 2 Lot Width and Part 6 Side Yard of Ordinance 690.

7. EXECUTIVE SESSION: The City Commission may convene into closed session in accordance with Texas Government Code, Subchapter D, Section 551.074: Personnel Matters to discuss:

   ▶ City Managers Evaluation

RECONVENE — Into open session with or without action taken.

ADJOURNMENT

CERTIFICATION

I certify that the above Agenda was posted on the outside officially designated bulletin board in front of City Hall, facing Kingsmill Street, a place convenient and readily accessible to the general public at all times and said Agenda was posted on FRIDAY, MARCH 7, 2014, BEFORE 5:00 P.M. and remain so posted continuously for at least 72 hours preceding the scheduled time of said meeting.

Karen L. Price, City Secretary

ASSESSIBILITY STATEMENT

In compliance with the Americans with Disabilities Act, the City of Pampa will provide for reasonable accommodations for persons attending City Commission meetings. To better serve you, requests should be received 24 hours prior to the meetings. Please contact Karen Price, City Secretary, at 669-5750. City Hall is wheelchair accessible. Entry is on the West side of the building.
AGENDA REMOVAL NOTICE

This public notice was removed from the official designated bulletin board at 201 W. Kingsmill Street, Pampa, Texas, City Hall on the following date and time:

Date: ________________________________  Time: ________________________________

By: ________________________________________________________________
CITY OF PAMPA
AGENDA INFORMATION SHEET

PUBLIC HEARING

ITEM/PROJECT: Request for Variance which will result in amendment of Ordinance 690.

MEETING DATE: MARCH 11, 2014

DESCRIPTION:

PUBLIC HEARING: The Planning & Zoning Commission of the City of Pampa will conduct a Public Hearing for the purpose of hearing public comments concerning the following request: Variance request from Open Range Development LLC in the Edwin Park Subdivision which will result in an amendment to City of Pampa Zoning Ordinance 690. The request is specific to the following blocks and lots for the Edwin Park Re-Plat recorded in Volume 993, Page 798, OPR in the County Deed Records: Block 1, Lots 2 through 10, Block 2, Lots 1 through 8 and Lots 10 through 12, and Block 3,Lots 3 through 9. Section 8.2 Lot Width and Section 8.6 Side Yard of the Code of Ordinances will be amended to reflect Variance request. Public comments on the proposed Variance request will be heard by the Planning & Zoning commission.

STAFF CONTACT:

Donny Hooper
Jil Arias
Memo

To: Donny Hooper
From: Jildardo Arias
CC: 
Date: March 4, 2014
Re: Edwin Park Subdivision Request for Variance from Zoning Ordinance

Donny,

The City Commission for the City of Pampa will be meeting on Tuesday, March 11, 2014 to consider a variance request from Open Range Development LLC in the Edwin Park Subdivision which would result in an amendment to the Zoning Ordinance of the City of Pampa. The request is specific to the following blocks and lots for the Edwin Park Replat recorded in Volume 993 Page 798 OPR in the County Deed Records: Block 1, Lots 2-10; Block 2, Lots 1-8 & 10-17; and Block 3, Lots 3-9. The request is for variance from the following sections of the Zoning Ordinance: Section 8.2 Lot Width and Section 8.6 Side Yard.

The Zoning Ordinance calls for a minimum lot width of 50 feet in an area zoned Commercial. Edwin Park was recently replatted with the aforementioned lots with widths less than 50 feet (varies from 43.58 to 45.04 feet).

Furthermore, the Zoning Ordinance calls for side yards of 5 feet. However, Open Range Development desires to construct garden homes with Zero side yard on one side of the lot. In order to achieve a minimum separation from the next house of 10 feet, Open Range Development proposes a minimum setback on the other side of the lot of 10 feet. The following illustration portrays what a typical garden home lot would look like:

![Typical Garden Home Setback](image)

The request would result in a lot that accommodates the construction of the garden homes Open Range Development desires to construct.
The City Planning & Zoning Commission will be meeting on the Monday afternoon before the City Commission meeting. A recommendation for the City Commission from the P&Z will be provided. I have attached a copy of the replat approved recently and a letter from Open Range Development in which they make the request for variance.

Sincerely,

Jildardo Arias, P.E.
February 24th, 2014

City of Pampa
200 W Foster Ave
P.O. Box 2499
Pampa, TX 79066-2499

Attn: Planning and Zoning Commission

Subject: Request for Variance from Section 8, Chapter 14 City Zoning Ordinance

To Whom It May Concern,

Open Range Development (property owner and developer) respectfully requests a variance to the City of Pampa. The variance is in regards to City of Pampa Code of Ordinances, Chapter 14, Sec. 8 “Area Regulations”. The specific requests are to reduce the minimum required lot width from the required 50’ to 43’ and to still maintain the required 10’ minimum spacing between residences while allowing the homes to be placed on the property line.

The proposed design will not decrease the minimum required lot area of 5000 square feet in the given district, nor will it decrease the minimum required distances between homes. The proposed garden homes will be 1800 conditioned square feet with 600 unconditioned square feet. This falls in compliance with taking up less than 50% of the total lot area.

The Edwin Park subdivision will allow for 37 families to be housed in new residences and will provide new utilities and roadways in the City of Pampa.

Your consideration of this request is greatly appreciated.

Sincerely,

[Signature]

Ronald E. Nelson, PE
AGENDA ITEM NO. 1

ITEM/PROJECT: MINUTES

MEETING DATE: MARCH 11, 2014

DESCRIPTION: Consider approving the minutes of the February 25, 2014 regular City Commission Meeting as presented.

STAFF CONTACT: Karen Price

FINANCIAL IMPACT:

SOURCE OF FUNDS:

START/COMPLETION SCHEDULE:

RECOMMENDED ACTION:

BACKGROUND/ADDITIONAL INFORMATION: Minutes attached.
CALL TO ORDER: Mayor Pingel at 4:00 p.m.

PRESENT: Brad Pingel Mayor
Robert Dixon Commissioner
Karen McLain Commissioner

ABSENT: John Studebaker Commissioner
Chris Porter Commissioner

STAFF: Richard Morris City Manager
Shane Stokes Asst. City Manager
Leland Waters City Attorney
Karen Price City Secretary
Robin Bailey Finance Director
Donny Hooper Public Works Director
Kelly Rushing Chief of Police
Kim Powell Fire Chief
Kevin Webb IT Managers
Jil Arias Engineer
Cary Rushing Code Enforcement

VISITORS: Paul Nachtigal Highland Baptist Church
Bill Allen
Eric Byrne
D. Yates
Jim Hart
Donny Snow
Doug Youree

NEWS MEDIA: Mike Ehrle KGRO Radio

INVOCATION: Paul Nachtigall Highland Baptist Church

PLEDGE OF ALLEGIANCE

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PUBLIC COMMENTS: NONE

DISCUSSION:

► Pampa Racing Club Request – Shane Stokes

AUTHORIZATIONS BY COMMISSION:

14-025

1. Consider approving the minutes of the February 25, 2014 regular City Commission Meeting as presented.

A motion was made by Commissioner Dixon and Seconded by Commissioner McLain to approve the minutes of the February 25, 2014 regular City Commission Meeting as presented, with each Commission Member voting AYE, the motion carried.
2. Excuse the absence of Commissioner Robert Dixon from the February 11, 2014 regular City Commission Meeting.

A motion was made by Commissioner McLain and Seconded by Mayor Pingel to excuse the absence of Commissioner Robert Dixon from the February 11, 2014 regular City Commission Meeting, with each Commission Member voting AYE, the motion carried.

3. Consider approving on first reading Ordinance No. 1612, an Ordinance of the City of Pampa granting to Southwestern Public service Company (“SPS”) d/b/a Xcel Energy, the right, privilege and franchise to conduct within the City of Pampa electrical lighting and power business.

ORDINANCE NO. 1612
FRANCHISE AGREEMENT

AN ORDINANCE OF THE CITY OF PAMPA, TEXAS, GRANTING TO SOUTHWESTERN PUBLIC SERVICE COMPANY (“SPS”) D/B/A XCEL ENERGY THE RIGHT, PRIVILEGE AND FRANCHISE TO CONDUCT WITHIN THE CITY OF PAMPA, TEXAS, AN ELECTRICAL LIGHTING AND POWER BUSINESS AND TO ENTER UPON, ERECT, CONSTRUCT, MAINTAIN, EXTEND, REPAIR, REPLACE AND REMOVE IN, UNDER, UPON, WITHIN, OVER, ABOVE, ACROSS AND ALONG ANY AND ALL OF THE PRESENT AND FUTURE PUBLIC ROADS, HIGHWAYS, STREETS, LANES, AND ALLEYS OF THE CITY OF PAMPA, A SYSTEM OF POLES, POLE LINES, TOWERS, DISTRIBUTION LINES, TRANSMISSION LINES, WIRES, GUYS, CABLES, CONDUITS, TRANSFORMERS, AND OTHER DISTRIBUTION AND TRANSMISSION EQUIPMENT, FACILITIES AND APPURTENANCES NECESSARY OR PROPER FOR THE TRANSMISSION AND DISTRIBUTION OF ELECTRICITY INTO, IN, WITHIN, FROM, ACROSS, AND THROUGH THE CITY OF PAMPA AS NOW EXISTING, OR AS SAID CITY LIMITS MAY HEREAFTER BE EXTENDED; AND GRANTING SPS, ITS SUCCESSORS AND ASSIGNS, THE AUTHORITY TO USE SUCH FOR THE PURPOSE OF TRANSMISSION, DISTRIBUTION, DELIVERY AND SALE OF ELECTRICITY TO THE CITY, AND TO THE INHABITANTS OF THE CITY, OR ANY OTHER PERSON OR PERSONS, FIRMS OR CORPORATIONS, WHEREVER LOCATED WITHIN OR WITHOUT THE CITY LIMITS OF PAMPA, FOR USE BY SUCH PURCHASER OR PURCHASERS FOR ANY PURPOSE AUTHORIZED BY LAW FOR WHICH ELECTRICITY MAY BE USED OR FOR ANY OTHER PURPOSE OR USE WHICH IS OR MAY BECOME NORMAL OR CUSTOMARY IN THE RETAIL ELECTRIC INDUSTRY IN TEXAS; PROVIDING THAT THIS FRANCHISE SHALL BE EFFECTIVE FOR A PERIOD OF TWENTY (20) YEARS COMMENCING APRIL 1, 2014; PROVIDING FOR THE TEMPORARY REMOVAL, RAISING OR LOWERING BY SPS OF ITS WIRES AND OTHER APPURTENANCES; PROVIDING FOR THE RIGHT TO, AND CONDITION OF, THE OPENING OF PAVEMENTS AND SIDEWALKS BY SPS; RETAINING ALL RIGHTS OF CITY TO REGULATE THE LOCATION OF SPS'S FACILITIES IN, UPON, ALONG, UNDER AND OVER THE STREETS, ALLEYS AND OTHER PUBLIC PLACES OF CITY, AS WELL AS TO REQUIRE THE RELOCATION OF SAME; PROVIDING FOR EFFICIENT ELECTRICAL SERVICE AND THE MAINTAINING OF SPS'S FACILITIES; PROVIDING FOR THE USE BY CITY FOR THE PURPOSES SPECIFIED OF POLES AND CONDUITS OF SPS; PROVIDING COMPENSATION, AND METHOD OF PAYMENT OF SUCH, TO THE CITY FOR THE USE BY SPS OF THE STREETS, ALLEYS AND PUBLIC WAYS OF THE CITY; PROVIDING FOR THE MAINTAINING OF RECORDS BY SPS WITH RIGHT OF INSPECTION BY CITY RESERVING TO CITY ALL POWERS OF REGULATION; PROHIBITING ASSIGNMENT EXCEPT BY CONSENT BY CITY EXCEPT IN CERTAIN CASES; GIVING CITY'S CONSENT
TO THE CUTTING AND TRIMMING BY SPS OF CONFLICTING TREES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING THAT THIS FRANCHISE SHALL NOT BE EXCLUSIVE; MAKING MISCELLANEOUS PROVISIONS RELATIVE TO THIS GRANT OF FRANCHISE; REPEALING ALL PREVIOUS ELECTRICAL LIGHTING AND POWER FRANCHISE ORDINANCES; PROVIDING FOR THE ACCEPTANCE OF THIS FRANCHISE ORDINANCE BY SPS.

A motion was made by Commissioner Dixon and Seconded by Commissioner McLain to approve on first reading Ordinance No. 1612, an Ordinance of the City of Pampa granting to Southwestern Public Service Company (“SPS”) d/b/a Xcel Energy, the right, privilege and franchise to conduct within the City of Pampa electrical lighting and power business, with each Commission Member voting AYE, the motion carried.

14-028

4. Consider approving on first reading Ordinance No. 1613, an Ordinance of the City of Pampa increasing administrative expenses for abatement and for building demolition.

ORDINANCE NO. 1613

AN ORDINANCE OF THE CITY OF PAMPA, TEXAS, PROVIDING THAT ITS CODE OF ORDINANCES BE AMENDED BY REVISING SECTION 3.08.009(a) OF SAID CODE TO PROVIDE FOR INCREASED MINIMUM CHARGE FOR ADMINISTRATIVE EXPENSES FOR BUILDING DEMOLITION, AND BY REVISING SECTION 6.04.008(a) OF SAID CODE TO PROVIDE FOR INCREASED ADMINISTRATIVE CHARGE FOR ABATEMENT, AND PROVIDING FOR AN EFFECTIVE DATE.

A motion was made by Commissioner McLain and Seconded by Commissioner Dixon to approve on first reading Ordinance No. 1613, an Ordinance of the City of Pampa increasing administrative expenses for abatement and for building demolition, with each Commission Member voting AYE, the motion carried.

14-029

5. Consider approving request from Open Range Development for the re-plat of the Edwin Park Subdivision.

A motion was made by Commissioner Dixon and Seconded by Commissioner McLain to approve the request made by Open Range Development for the re-plat of the Edwin Park Subdivision, with each Commission Member voting AYE, the motion carried.

14-030

6. Consider approving a request from Jim Davidson to re-plat Block 7 of the Country Club Heights Subdivision.

A motion was made by Commissioner McLain and Seconded by Commissioner Dixon to approve a request from Jim Davidson to re-plat Block 7 of the Country Club Heights Subdivision, with each Commission Member voting AYE, the motion carried.

14-031

A motion was made by Commissioner McLain and Seconded by Commissioner Dixon to approve the List of Disbursements dated January 2014 with total Disbursements being $1,883,602.41 and the amount after balance sheet and income accounts being $847,955.62, with each Commission Member voting AYE, the motion carried.

14-032

8. EXECUTIVE SESSION: The City Commission may convene into closed session in accordance with Texas Government Code, Subchapter D, Section 551.074: Personnel Matters to discuss:
   
   ► City Managers Evaluation

A motion was made by Commissioner McLain and Seconded by Commissioner Dixon to postpone the Executive Session until the next regular schedule City Commission Meeting on March 11, 2014, with each Commission Member voting AYE, the motion carried.

ADJOURNMENT

There being no further business on the agenda, the meeting was adjourned at 4:32 p.m. by Mayor Pingel.

Karen L. Price, City Secretary Brad Pingel, Mayor
AGENDA ITEM NO. 2

ITEM/PROJECT: COMMISSION ABSENCE

MEETING DATE: MARCH 11, 2014

DESCRIPTION: Excuse the absence of Commissioners John Studebaker and Chris Porter from the February 25, 2014 regular City Commission Meeting.
AGENDA ITEM NO. 3

ITEM/PROJECT: ORDINANCE NO. 1612 – XCEL FRANCHISE AGREEMENT

MEETING DATE: MARCH 11, 2014

DESCRIPTION: Consider adopting on second and final reading Ordinance No. 1612, an Ordinance of the City of Pampa granting to Southwestern Public Service Company ("SPS") d/b/a Xcel Energy, the right, privilege and franchise to conduct within the City of Pampa electrical lighting and power business.

STAFF CONTACT: Shane Stokes

FINANCIAL IMPACT:

SOURCE OF FUNDS:

START/COMPLETION SCHEDULE:

RECOMMENDED ACTION: Adopt Ordinance No. 1612 – SPS Franchise Agreement.

BACKGROUND/ADDITIONAL INFORMATION: New agreement would increase franchise fees by 2% bringing the total to 5%. This would increase the estimated franchise revenues to the City by over $200,000 annually. The term of the agreement will be twenty (20) years beginning April 1, 2014.
ORDINANCE NO. 1612

FRANCHISE AGREEMENT

AN ORDINANCE OF THE CITY OF PAMPA, TEXAS, GRANTING TO SOUTHWESTERN PUBLIC SERVICE COMPANY ("SPS") D/B/A XCEL ENERGY THE RIGHT, PRIVILEGE AND FRANCHISE TO CONDUCT WITHIN THE CITY OF PAMPA, TEXAS, AN ELECTRICAL LIGHTING AND POWER BUSINESS AND TO ENTER UPON, ERECT, CONSTRUCT, MAINTAIN, EXTEND, REPAIR, REPLACE AND REMOVE IN, UNDER, UPON, WITHIN, OVER, ABOVE, ACROSS AND ALONG ANY AND ALL OF THE PRESENT AND FUTURE PUBLIC ROADS, HIGHWAYS, STREETS, LANES, AND ALLEYS OF THE CITY OF PAMPA, A SYSTEM OF POLES, POLE LINES, TOWERS, DISTRIBUTION LINES, TRANSMISSION LINES, WIRES, GUYS, CABLES, CONDUITS, TRANSFORMERS, AND OTHER DISTRIBUTION AND TRANSMISSION EQUIPMENT, FACILITIES AND APPURTEANCES NECESSARY OR PROPER FOR THE TRANSMISSION AND DISTRIBUTION OF ELECTRICITY INTO, IN, WITHIN, FROM, ACROSS, AND THROUGH THE CITY OF PAMPA AS NOW EXISTING, OR AS SAID CITY LIMITS MAY HEREAFTER BE EXTENDED; AND GRANTING SPS, ITS SUCCESSORS AND ASSIGNS, THE AUTHORITY TO USE SUCH FOR THE PURPOSE OF TRANSMISSION, DISTRIBUTION, DELIVERY AND SALE OF ELECTRICITY TO THE CITY, AND TO THE INHABITANTS OF THE CITY, OR ANY OTHER PERSON OR PERSONS, FIRMS OR CORPORATIONS, WHEREVER LOCATED WITHIN OR WITHOUT THE CITY LIMITS OF PAMPA, FOR USE BY SUCH PURCHASER OR PURCHASERS FOR ANY PURPOSE AUTHORIZED BY LAW FOR WHICH ELECTRICITY MAY BE USED OR FOR ANY OTHER PURPOSE OR USE WHICH IS OR MAY BECOME NORMAL OR CUSTOMARY IN THE RETAIL ELECTRIC INDUSTRY IN TEXAS; PROVIDING THAT THIS FRANCHISE SHALL BE EFFECTIVE FOR A PERIOD OF TWENTY (20) YEARS COMMENCING APRIL 1, 2014; PROVIDING FOR THE TEMPORARY REMOVAL, RAISING OR LOWERING BY SPS OF ITS WIRES AND OTHER APPURTEANCES; PROVIDING FOR THE RIGHT TO, AND CONDITION OF, THE OPENING OF PAVEMENTS AND SIDEWALKS BY SPS; RETAINING ALL RIGHTS OF CITY TO REGULATE THE LOCATION OF SPS'S FACILITIES IN, UPON, ALONG, UNDER AND OVER THE STREETS, ALLEYS AND OTHER PUBLIC PLACES OF CITY, AS WELL AS TO REQUIRE THE RELOCATION OF SAME; PROVIDING FOR EFFICIENT
ELECTRICAL SERVICE AND THE MAINTAINING OF SPS'S
FACILITIES; PROVIDING FOR THE USE BY CITY FOR THE
PURPOSES SPECIFIED OF POLES AND CONDUITS OF SPS;
PROVIDING COMPENSATION, AND METHOD OF PAYMENT
OF SUCH, TO THE CITY FOR THE USE BY SPS OF THE
STREETS, ALLEYS AND PUBLIC WAYS OF THE CITY;
PROVIDING FOR THE MAINTAINING OF RECORDS BY SPS
WITH RIGHT OF INSPECTION BY CITY RESERVED TO CITY
ALL POWERS OF REGULATION; PROHIBITING ASSIGNMENT
EXCEPT BY CONSENT BY CITY EXCEPT IN CERTAIN CASES;
GIVING CITY'S CONSENT TO THE CUTTING AND TRIMMING
BY SPS OF CONFLICTING TREES; PROVIDING A
SEVERABILITY CLAUSE; PROVIDING THAT THIS
FRANCHISE SHALL NOT BE EXCLUSIVE; MAKING
MISCELLANEOUS PROVISIONS RELATIVE TO THIS GRANT
OF FRANCHISE; REPEALING ALL PREVIOUS ELECTRICAL
LIGHTING AND POWER FRANCHISE ORDINANCES;
PROVIDING FOR THE ACCEPTANCE OF THIS FRANCHISE
ORDINANCE BY SPS.

WHEREAS, the City granted to Southwestern Public Service Company (“SPS”) a
franchise to operate and maintain an electric system in the City of Pampa.

WHEREAS, SPS has requested that the City Commission of the City of Pampa,
Texas, grant an electrical lighting and power franchise at this time, and it appearing to
this Commission that the renewal of the franchise will be of benefit to both SPS and the
City of Pampa; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF PAMPA,
TEXAS:

I. Franchise Authorization

That subject to the terms, conditions, and provisions of this ordinance, the City of
Pampa, Texas, hereinafter referred to as "City", does hereby grant unto Southwestern
Public Service Company, a corporation incorporated under the laws of the State of New
Mexico, having a permit to do business in the State of Texas, hereinafter referred to as
"SPS", its successors and assigns, the right, privilege and franchise to conduct an electrical lighting and power business within the boundaries of the City of Pampa, as such boundaries now exist or may hereafter be extended.

SPS shall have the right to enter upon, erect, construct, maintain, extend, repair, replace, and remove in, under, upon, within, over, above, across and along any and all of the present and future public roads, highways, streets, lanes, alleys and other public rights-of-way of the City now or hereafter owned or controlled by the City, a system of poles, pole lines, towers, distribution lines, transmission lines, underground and above ground lines, wires, guys, cables, conduits, transformers, and other distribution and transmission equipment, facilities and appurtenances necessary, proper or reasonably needed for the transmission and distribution of electricity into, in, within, from, across and through the City as now existing or as the said City limits may hereafter be extended to the extent City is authorized to grant such right.

SPS, its successors and assigns, are authorized to use said poles, lines, towers, wires, guys, conduits, transformers, and other distribution and transmission equipment, facilities and appurtenances for the transmission, distribution, delivery and sale of electricity to the City and to the inhabitants of the City or any other person or persons, firms or corporations wherever located for use by such purchaser or purchasers for any purpose authorized by law for which electricity may be used or for any other purpose or use which is or may become normal or customary in the retail electric industry in Texas.

II. Term and Deregulation.
The franchise granted to SPS shall be for a term of Twenty (20) years from March 1, 2014. The franchise rights and privileges shall be in full force and effect thirty (30) days from the last publication of this Ordinance provided SPS has formally accepted this franchise as provided in Section XXII.

III. Franchise Fee/Payment

As compensation and rental for the use of the streets, alleys and public ways of City in the conduct of its business under this franchise, SPS shall pay the City for the life of this franchise a sum of money equal to five percent (5%) of its gross receipts. The term ‘gross receipts’ shall mean the total monies received by SPS from the sale within the corporate limits of Pampa, Texas of electric energy to its retail customers and, effective March 1, 2014, shall also include SPS net miscellaneous revenues limited to (a) returned check charges, (b) reconnection charges after a disconnection for non-payment, (c) restoring service after a tampering or unsafe situation disconnection, and (d) charges related to meter tampering. A three percent (3%) franchise expense is currently embedded in SPS system wide rates, but all franchise expense in excess of three percent (3%) of gross receipts shall be surcharged by SPS to the customers taking service within the corporate limits of the City. The franchise payments shall be due and payable within thirty (30) days following the end of each calendar quarter in which the gross receipts were collected. All money due and payable to City by SPS computed under the terms of the existing franchise shall be payable at the time that computation begins under this franchise. In other words, there shall be no gap in payments to the City between the termination of the existing franchise and the commencement of this franchise. Said quarterly payments above provided shall be exclusive of and in addition to ad valorem
taxes. Any and all such payments made by SPS pursuant to this Section shall be credited on any amount imposed, levied or assessed against SPS by the City of Pampa, pursuant to ordinance or otherwise, at any time as a charge (whether designated as rental, tax or otherwise) for the use by SPS of City's streets, alleys and public ways.

IV. Franchise Fee After Retail Competition

The franchise fee authorized herein shall form the basis on which any franchise fee is authorized and calculated according to state law after customer choice is authorized by the State of Texas in the region which encompasses the City of Pampa. If the Public Utility Regulatory Act, Sections 33.008(b) or 39.402(b) are changed, which change adversely impacts the franchise fee revenue the City of Pampa would have received, then SPS and the City of Pampa agree, to the extent allowed by law, to renegotiate the franchise fee provision in the preceding paragraph so as to allow the City of Pampa to receive the same revenues it would have received prior to such change in the law.

V. Pole Location.

Within the streets or other public rights-of-way of the City, the location and route of all poles, stubs, guys, anchors, lines, conduits, underground duct lines, manholes, and cables placed and constructed and to be placed and constructed by SPS in the construction and maintenance of its electrical lighting and power system in, within, through, or under the streets, alleys, or other public rights-of-way of the City shall be subject to reasonable and proper regulation, control and direction of the City, or of the City official to whom such duties have been or may be delegated.

All poles, guys or anchors erected by SPS shall be so set that they will not cause diversion of surface waters in any gutter or drain so as to cause damage to adjoining
property, and so that the same will interfere as little as practicable with the ordinary travel on the streets, sidewalks and other public rights-of-way of the City; the regulation and control herein reserved shall include, without limitation, the right of the City to require SPS, at SPS's expense, to relocate its poles, lines or conduits so as to permit the following activities undertaken by the City on its behalf:

a. The widening or straightening of any street, alley or public right-of-way located within the City.
b. The closing, opening or relocation of any street, alley or public right-of-way within the City.
c. The location or relocation of any water or sewer lines within the City.
d. The changing of grade of any street, alley, curb or sidewalk within the City.
e. The construction and maintenance of parks and other public improvements owned by the City of Pampa located within the City.

In all cases where SPS is required to relocate, change the route of or the position of the poles, lines or the conduits, as a result of a request by the City, the City shall furnish an alternate route on which poles and lines of like construction design may be built, and provide thirty (30) days advance written notice to SPS specifying the new location, route, or position of the poles, lines, or conduits involved. SPS shall be entitled to be paid for its cost and expenses of any relocation, raising or lowering of its wires, required by the City, pursuant to this Section or Section VI, only if such expenses or costs are reimbursable or payable to SPS or the City from any source including the State of Texas, the United States or any governmental agency or subdivision of either, whether directly or indirectly. However, nothing herein shall impose any obligation on the City to pay such costs and expenses except to the extent it actually receives funds from another source including the United States, the State of Texas, or any governmental agency or subdivision of either, for the reimbursement or payment of same. The provisions of this
section shall not apply to improvements made by SPS on private easements purchased by SPS and recorded prior to any dedication of any street, alley or public way. In this latter event City shall reimburse SPS its costs and expenses of relocating facilities.

VI. Temporary Relocation

SPS, on written reasonable request of any responsible person, firm, corporation or governmental authority, shall relocate, raise or lower its wires, where located on, in, or over the streets, alleys and other public ways of City, temporarily to permit construction work in the vicinity thereof, or to permit the moving of houses or other bulky structures. The expense of such temporary relocation, raising or lowering of such wires shall be paid by the benefited party or parties, and SPS may require the payment in advance, being without obligation to remove, raise or lower its wires until such payment shall be made; provided, however, that no such payment shall be required of the City except as provided in Section V. SPS shall be given not less than seventy-two (72) hours prior written notice to arrange for such temporary wire changes.

VII. Excavation of Sidewalks

If it becomes necessary in furnishing electricity as contemplated under this franchise, the City grants to SPS the right and privilege to take up pavements and sidewalks, if any, in and upon said streets, alleys and highways in said City for the purpose of making such excavation and installation as may be necessary; provided, however, that SPS shall not take up or excavate any pavement at any time without first securing the written permission of the City Manager or his designated representative, which permission will not be unreasonably withheld; and provided further, that all
excavations and installations so made shall be performed in a reasonable manner as will cause the least inconvenience to the public, and SPS shall promptly restore or cause to be restored to as good condition as before working thereon all such pavements, sidewalks, streets, alleys or highways excavated by it to the reasonable satisfaction of the City Manager or his designated representative.

VIII. Facilities Damage

If any facilities of the City of Pampa shall be in any respect damaged or injured by SPS or any of its officers, agents, or employees in connection with the performance of work done under this Franchise Agreement, SPS shall pay for such damage. Conversely, if any of the facilities installed by SPS hereunder shall be in any respect damaged or injured by the City or any of its officers, agents, representatives, or employees, in connection with the performance of any work or repairs that may be done upon the streets, avenues, alleys and other public places of the City of Pampa, the City of Pampa shall pay for such damage.

IX. City’s Sovereignty

The City, by the granting of this franchise, does not surrender or to any extent lose, waive, imperil or lessen the lawful powers and rights now or hereinafter vested in the City under the Constitution and Statutes of the State of Texas and under the Charter of the City to regulate the rates for services of SPS; and SPS, by its acceptance of this franchise, agrees that all such lawful regulatory power and rights as the same may be from time to time vested in the City shall be in full force and effect and subject to the exercise thereof by the City at the City’s discretion.
Notwithstanding anything contained in this Ordinance to the contrary, all work done in connection with the construction, repair, maintenance and operation of all facilities of SPS is subject to the continuing police power of the City; and SPS shall comply with all present and future laws, ordinances and regulations, except when such compliance is in conflict with that authority specifically surrendered by the City herein.

X. Electric Service Provided

It shall be SPS's obligation hereunder to furnish efficient electrical service to meet standards of the industry for the area. SPS shall serve every eligible consumer in the franchise area that requests service, subject to lawful policies and rules of SPS regarding cost, customer deposits, return on investment, access and other reasonable factors. SPS shall not discriminate against any person, corporation, firm, or association in the charge for such electrical current or in the service rendered under like circumstances. SPS shall not directly or indirectly grant any discount or rebate, or give things of value to circumvent the rate schedule as approved by the appropriate regulatory authority.

XI. Nonexclusive

Nothing contained in this Ordinance shall be construed as conferring upon SPS any exclusive rights or privileges of any nature whatsoever.

XII. City Use of SPS’s Pole/Duct Space

In addition to the consideration set forth elsewhere in this ordinance, SPS shall hereafter hold itself ready to furnish free of charge, subject to the use of the City, such pole space as may be reasonably required from time to time for the installation of City-owned street light equipment, traffic, police and fire alarm system conductors, and alarm or other necessary signal boxes, data transmission or telecommunication equipment
(solely for the City’s own use) provided that such space used by the City does not exceed the capacity of one cross-arm space on any one pole, and provided that such space is available on existing poles and has been requested three (3) days in advance in writing by the City Manager or his designated representative prior to installation of SPS facilities hereunder placed within any street, alley or public way. The specific location of the street light equipment, and police and fire alarm conductors and boxes on SPS's poles shall be determined by SPS, and will be allotted at the time specific applications for space are received from the City. Where a main underground ductline is hereafter constructed or installed between manholes by SPS, SPS shall, as a part of same, provide free space for the installation by City of its traffic, police or fire alarm cables, data transmission or telecommunication equipment (solely for the City’s own use) on request in writing by City Manager or his designated representative prior to construction, one top duct having one capped off entry channel and one capped off exit channel between each two manholes, such entry and exit channels leaving the duct bank enclosure outside of, but near to, such manholes, and no cable or other equipment of City shall enter SPS's manholes. SPS shall, prior to each addition by it to any duct now existing or hereafter constructed, notify the City Manager or his designated representative of City of the nature and location of such intended addition; further, SPS shall, along with its application for a permit to open a street for the purpose of laying a new duct, provide the City Manager and the City Engineer's Office each with a set of plans showing the type, number, and location in the street, of the ducts to be constructed. City, prior to the original installation by it of its equipment in any such top duct, shall notify SPS three (3) days in advance of the time and place it intends to make such entry and installation. All cables installed by
the City in SPS ducts shall be of the non-metallic, sheathy type to prevent corrosive or electrolytic action between the City and SPS-owned cables. All City-owned conductors and cables, whether on poles or in ductlines, shall be constructed, maintained and operated in such manner as to not interfere with or create a hazard in the operation of SPS's electrical transmission and distribution system. Further, all City-owned traffic, police and fire alarm conductors, and alarm boxes, and any City circuits on SPS poles and all cables installed by City in ducts constructed by SPS, shall be installed in strict compliance with the applicable provisions of the National Electrical Safety Code and other applicable federal, state and local codes.

Provided further, that no part or portion of this Section shall ever be construed as requiring SPS to make any additional expenditure over and above its normal and ordinary cost, and if the City's requirements hereunder cause an additional cost or expense in enlarging, removing, adding to or otherwise changing SPS's facilities, City shall reimburse SPS for the full amount of such costs. SPS shall not in any case be liable for damages or claims of damages to any person or persons arising from or growing out of the attachment of City's equipment, or arising from or growing out of the construction, operation or maintenance of such facilities. The City further agrees to indemnify and hold SPS harmless from any and all damages or claims for damages by reason of the construction, maintenance or operation of the City's facilities as set forth in this Section.

XIII. Annual Receipts Report/Right to Audit

On request by the Pampa City Manager, SPS shall provide a statement, certified by a duly qualified officer of SPS, showing the gross receipts of SPS within the City of Pampa (as defined above). For the purpose of determining the amount of the gross
receipts of SPS at all times during the continuance of the rights herein granted, SPS shall keep at the disposal of and open to inspection by any auditor authorized and appointed by City at all reasonable times, books of accounts and other records showing a full, true, complete and accurate account of the gross receipts of SPS from its electric lighting and power sales for consumption within the corporate limits of the City for the prior three calendar years.

XIV. Indemnification

SPS shall indemnify and save the City harmless from all claims, demands or causes of action brought against the City occasioned by or arising out of the construction, reconstruction, maintenance, or repair of SPS's electrical lighting and power system, or in any way growing out of the granting of this franchise either directly or indirectly; provided, however, that the provisions of this Section shall not be applicable to any claims, damages, actions or causes of actions proximately resulting from the use by City, its officers, agents, representatives or employees, of SPS's poles and ductlines for the installation, maintenance or removal of City's equipment, as provided in Section XII, or for which the City is otherwise liable as provided herein.

XV. Authority

In granting this franchise it is understood that the lawful power vested by law in the City to require all persons or corporations to discharge the duties and undertaking for the performance of which this franchise was made, is reserved; this grant is made subject to all the rights, powers and authorities either of regulation or otherwise reserved to the City by its Charter or by the general laws of the State.

XVI. Assignment/Transfer of Franchise
The rights, franchises and privileges hereby granted shall not be transferred or assigned by SPS except with the consent of the City Commission of the City of Pampa expressed by Ordinance passed by said City Commission; provided, however, SPS may mortgage or pledge its rights hereunder for security or obligations owing by SPS; and provided further, that a transfer could be made in a merger, consolidation or reorganization proceeding to which SPS is a party or to a subsidiary corporation or affiliate corporation of SPS or wherein SPS sells its entire physical assets. It is specifically recognized that under the Public Utility Regulatory Act, Chapter 39 Restructuring of Electric Utility Industry, it is anticipated that at some date in the future SPS will unbundle into a power generation company, a retail electric provider, and a transmission and distribution utility. At the time of such unbundling to comply with retail electric deregulation, the franchise granted herein will go with the distribution utility and the franchise fee thereafter will be calculated as provided in Section III of this franchise.

In the event of contemplated transfer of this franchise, under the terms of this section permitting transfer without consent of City Commission, SPS shall notify the City of Pampa of the contemplated transfer by written notice delivered to the City Secretary not less than sixty (60) days prior to accomplishment of any merger, consolidation or reorganization proceeding or transfer of its entire physical assets; and will provide the City Commission an opportunity to confer with the proposed transferee concerning proper acceptance of the terms of this franchise.

Prior to exercising any rights hereunder, any purchaser or transferee of SPS shall file with the City Manager a written acceptance of this franchise setting forth an agreement to be bound by all terms and provisions hereof.
XVII. Tree Trimming

To the extent that the City has authority to do so, it gives to SPS, during the life of this franchise, the right, license, privilege and permission to trim trees upon and overhanging the streets, alleys, sidewalks and public places of City, so as to prevent the branches of such trees from coming in contact with the wires or other equipment of SPS. SPS agrees that it will fully protect and indemnify City from any and all claims, demands, actions, causes of actions, damages and expenses arising because of such trimming by SPS under the provisions of this Section.

XVIII. Notice of Default

The franchise rights and privileges hereinabove granted to SPS, its successors and assigns are and shall be at all times, during the term and life of this franchise, contingent upon the faithful and punctual performance of and compliance with all acts, requirements and provisions of this Ordinance, and any amendment hereof, by SPS, its officers, agents and employees on its part to be performed, complied with and abided by, and if at any time SPS shall refuse or fail to keep, perform, comply with and abide by all and singular the acts, requirements and provisions of this Ordinance, or any amendment, within sixty (60) days from receipt of written notice from the City Manager acting by Order of the City Commission setting forth in detail the facts constituting default of SPS and what is required to cure such default; and upon continued failure of SPS to keep, perform, comply with and abide by such acts, requirements and provisions of this Ordinance or any amendment or failure to cure the default set forth in such written notice, the City Commission may terminate, at its option, this franchise and all privileges and rights
herein granted to said SPS. The notice herein mentioned shall be sufficient, if given to the Director of Community Services for SPS located in Amarillo, Texas.

**XIX. Removal of Dangerous Objects**

The City shall have power at any time to require SPS to remove and abate at its own expense any installation or structure that is dangerous to life or property, and in case SPS, after reasonable notice, fails or refuses to act, the City shall have the power using reasonable means and methods to remove or abate the same at expense of SPS, all without compensation or liability for damages to SPS.

**XX. Severability**

If any provision, section, subsection, sentence, clause or phrase of this Ordinance is, for any reason, held to be unconstitutional, void or invalid (or for any reason unenforceable), the validity of the remaining portions of this Ordinance shall not be affected thereby.

**XXI. Prior Franchise Repealed**

This franchise replaces all former franchise ordinances granted to SPS or its predecessors, which are hereby repealed, which repeal is effective as of the time the franchise herein granted takes effect. There is specifically and particularly repealed, effective as of that time, that certain Ordinance No. 1332 passed by the City of Pampa, granting to Southwestern Public Service Company, its successors and assigns, a franchise for a period of twenty years.

**XXII. Final Passage/Acceptance**

SPS shall, within thirty (30) days from the date of the final passage of this Ordinance by the City Commission of the City of Pampa, file with the City Secretary of
Pampa, a written statement signed in its name and behalf by an officer of SPS duly authorized by its Board of Directors in the following form:

"The Honorable Mayor and the City Council of the City of Pampa:

Southwestern Public Service Company, for itself, its successors and assigns, hereby accepts the attached Ordinance finally passed by the City Council of Pampa, the _______ day of ________________, 20__, and agrees to be bound by all of its terms and provisions.

Southwestern Public Service Company

By: ________________________________
President & CEO

Dated the ______ day of ________________, 20__.

INTRODUCED, PASSED, and APPROVED on its first reading this 25th day of February, 2014.

INTRODUCED, PASSED and APPROVED on its second and final reading this 11th day of March, 2014.

CITY OF PAMPA, TEXAS

By: _____________________________
Brad Pingel, Mayor

ATTEST:

__________________________________
Karen L. Price, City Secretary

APPROVED AS TO FORM:

__________________________________
Leland W. Waters, City Attorney
AGENDA ITEM NO. 4

ITEM/PROJECT: ORDINANCE NO. 1613 – INCREASING ADMINISTRATIVE EXPENSES FOR ABATEMENT AND BUILDING DEMOLITION.

MEETING DATE: MARCH 11, 2014

DESCRIPTION: Consider adopting on second and final reading Ordinance No. 1613, an Ordinance of the City of Pampa increasing administrative expenses for abatement and for building demolition.

STAFF CONTACT: Donny Hooper

FINANCIAL IMPACT: 

SOURCE OF FUNDS: 

START/COMPLETION SCHEDULE: 

RECOMMENDED ACTION: 

BACKGROUND/ADDITIONAL INFORMATION: Ordinance No. 1613 attached.
ORDINANCE NO. 1613

AN ORDINANCE OF THE CITY OF PAMPA, TEXAS, PROVIDING THAT ITS CODE OF ORDINANCES BE AMENDED BY REVISING SECTION 3.08.009(a) OF SAID CODE TO PROVIDE FOR INCREASED MINIMUM CHARGE FOR ADMINISTRATIVE EXPENSES FOR BUILDING DEMOLITION, AND BY REVISING SECTION 6.04.008(a) OF SAID CODE TO PROVIDE FOR INCREASED ADMINISTRATIVE CHARGE FOR ABATEMENT, AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY OF PAMPA, TEXAS:

Section 1.

That Sec. 3.08.008(a) be amended in its entirety to read as follows:

(a) The city commission hereby finds and declares that the general administrative expenses of inspecting buildings, locating owners, conducting hearings, issuing notices and orders, together with all associated administrative functions, require the reasonable charge of two hundred twenty-five dollars ($225.00) for each lot, adjacent lots under common ownership or tract of land, and such minimum charge is hereby established and declared to be the charge for such administrative expenses to be assessed in each instance where the city demolishes or contracts for the demolition of a building or buildings thereon. Notwithstanding any tabulation of recorded costs, a charge of two hundred twenty-five dollars ($225.00) is hereby expressly stated to be the minimum charge. Further, the cost of demolishing the building or buildings, either by the city or by persons doing so under contract with the city, shall be separately calculated and assessed in each instance where the city demolishes or causes the demolition of a building or buildings pursuant to this article.

Section 2.

That Sec. 6.04.008(a) be amended in its entirety to read as follows:

(a) Mailing bill; due date; administrative charge. The bill for the cost incurred by the city resulting from the abatement of the condition existing by reason of the person’s failure to comply with section 6.04.003 or section 6.04.004 shall be mailed to the person and the owner of the premises (if under the supervision or control by other than the owner). Such bill shall be paid within thirty (30) days of the mailing of the bill. In addition to all other costs, an administrative charge of one hundred dollars (100.00) shall be added to cover the city’s cost of inspection, re-inspection, mailing, publications, bookkeeping and other related administrative expenses.
Section 3.

This Ordinance shall become effective ten (10) days after its publication as provided by law.

INTRODUCED, PASSED, and APPROVED on its first reading this 25th day of February, 2014.

INTRODUCED, PASSED and APPROVED on its second and final reading this 11th day of March, 2014.

CITY OF PAMPA, TEXAS

By: _______________________________
    Brad Pingel, Mayor

ATTEST:

__________________________________
Karen L. Price, City Secretary

APPROVED AS TO FORM:

__________________________________
Leland W. Waters, City Attorney
AGENDA ITEM NO. 5

ITEM/PROJECT: ORDINANCE NO. 1614 – APPROVING ATMOS SETTLEMENT AGREEMENT

MEETING DATE: MARCH 11, 2014

DESCRIPTION: Consider approving on first reading Ordinance No. 1614, an Ordinance of the City of Pampa approving a negotiated settlement agreement between the steering committee of cities served by Atmos West Texas and Atmos Energy Corporation, West Texas.

STAFF CONTACT: Richard Morris

FINANCIAL IMPACT:

SOURCE OF FUNDS:

START/COMPLETION SCHEDULE: RECOMMENDED ACTION:

BACKGROUND/ADDITIONAL INFORMATION: Ordinance No. 1614 attached.
ORDINANCE NO. 1614

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF PAMPA, TEXAS, APPROVING A NEGOTIATED SETTLEMENT AGREEMENT BETWEEN THE STEERING COMMITTEE OF CITIES SERVED BY ATMOS WEST TEXAS (“CITIES”) AND ATMOS ENERGY CORP., WEST TEXAS DIVISION REGARDING THE COMPANY’S 2013 STATEMENT OF INTENT TO INCREASE RATES IN ALL CITIES EXERCISING ORIGINAL JURISDICTION; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT AND FINDING THE RATES TO BE SET BY THE TARIFFS ATTACHED TO THE SETTLEMENT AGREEMENT TO BE JUST AND REASONABLE; APPROVING A NEW RATE REVIEW MECHANISM; REQUIRING THE COMPANY TO REIMBURSE CITIES’ REASONABLE RATEMAKING EXPENSES; REPEALING CONFLICTING RESOLUTIONS OR ORDINANCES; DETERMINING THAT THIS ORDINANCE 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 ORDINANCE TO THE COMPANY AND THE CITIES’ LEGAL COUNSEL.

WHEREAS, the City of Pampa Texas (“City”) is a gas utility customer of Atmos Energy Corp., West Texas Division (“Atmos West Texas” or “Company”), and a regulatory authority with an interest in the rates and charges of Atmos West Texas; and

WHEREAS, the City is a member of the Steering Committee of Cities Served by Atmos West Texas (“Cities”), a coalition of similarly situated cities served by Atmos West Texas that have joined together to facilitate the review of and response to natural gas issues affecting rates charged in the Atmos West Texas service area; and
WHEREAS, on or about October 18, 2013, the Company filed with the City its Statement of Intent to change rates in all municipalities exercising original jurisdiction within its West Texas Division service area; and

WHEREAS, Cities coordinated a review of Atmos West Texas’ Statement of Intent filing through its designated attorneys and consultants, to resolve issues identified by Cities in the Company’s filing; and

WHEREAS, Cities have successfully relied upon an annual Rate Review Mechanism (“RRM”) as a substitute for the statutory GRIP process prior to the filing of the Company’s previous two Statement of Intent rate cases and desire to implement a new RRM process; and

WHEREAS, Cities and Atmos West Texas have negotiated a new RRM process to govern rate setting in 2015 and beyond; and

WHEREAS, Cities’ Executive Committee, legal counsel and consultants recommend that Cities approve the rate tariffs and RRM tariff (“Exhibit A” to the attached Settlement Agreement), which will increase the Company’s revenues by $8.3 million on a system-wide cost of service basis; and

WHEREAS, the Exhibit A rate tariffs implementing the new rates are consistent with the negotiated resolution reached by Cities and are just, reasonable, and in the public interest, and will lead to rates throughout the Company’s service territory that are economically equivalent to rates based on a system-wide cost of service; and

WHEREAS, the effective date of new rates is April 1, 2014.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF PAMPA, TEXAS:

Section 1. That the findings set forth in this Ordinance are hereby in all things approved.
Section 2. That the City Commission approves the attached Settlement Agreement as a fair resolution to the Company’s 2013 Statement of Intent rate filing.

Section 3. That the City Commission finds the existing rates for natural gas service provided by Atmos West Texas are unreasonable and new tariffs which are attached to the Settlement Agreement as Exhibit A and incorporated herein, are just and reasonable, the rates therein established are based on a system-wide cost of service, and are hereby adopted. The new RRM process reflected in the tariff included in Exhibit A is hereby approved.

Section 4. That Atmos West Texas shall reimburse the reasonable ratemaking expenses of the Cities in processing the Company’s Statement of Intent filing and negotiating a new RRM process.

Section 5. That to the extent any resolution or ordinance previously adopted by the Commission is inconsistent with this Ordinance, it is hereby repealed.

Section 6. That the meeting at which this Ordinance was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 7. That if any one or more sections or clauses of this Ordinance is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Ordinance and the remaining provisions of the Ordinance shall be interpreted as if the offending section or clause never existed.

Section 8. That this Ordinance shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after April 1, 2014.

Section 9. That a copy of this Ordinance shall be sent to Atmos West Texas, care of Mr. Jeffrey Foley, Vice President, Rates and Regulatory Affairs, 5110 80th Street, P.O. Box
1121, Lubbock, Texas 79408-1121, and to Geoffrey Gay, General Counsel to Cities, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

INTRODUCED, PASSED, and APPROVED on its first reading this 11th day of March, 2014.

INTRODUCED, PASSED and APPROVED on its second and final reading this ____ day of March, 2014.

CITY OF PAMPA, TEXAS

By: _______________________________
Brad Pingel, Mayor

ATTEST:

__________________________________
Karen L. Price, City Secretary

APPROVED AS TO FORM:

__________________________________
Leland W. Waters, City Attorney
MODEL STAFF REPORT

The City, along with other similarly situated cities served by Atmos Energy Corp., West Texas Division (“Atmos West Texas” or “Company”), is a member of the Steering Committee of Cities Served by Atmos West Texas (“Cities” or “Steering Committee”). On October 18, 2013, Atmos West Texas filed with the City a Statement of Intent to increase natural gas rates in all cities exercising original jurisdiction in its West Texas Division. The effective date was suspended by City resolution and extended further by the Company to facilitate settlement discussions.

The Atmos West Texas Statement of Intent filing sought approximately $12 million in increased revenues. The Company also proposed a revised Rate Review Mechanism (“RRM”) tariff. The City worked with the Steering Committee to analyze the schedules and evidence offered by Atmos West Texas to support its request to increase rates. The Ordinance and attached Settlement tariffs are the result of negotiation between the Steering Committee and the Company to resolve issues raised by the Steering Committee during the review and evaluation of Atmos West Texas’ filing. The Ordinance and Settlement tariffs approve rates that will increase the Company’s revenues by $8.3 million on a system-wide basis, effective for bills rendered on or after April 1, 2014. The monthly bill impact for the average residential customer will be a $0.77 increase (about a 3.9% increase in the total bill).

The Steering Committee’s Executive Committee and its designated legal counsel and consultants recommend that all Cities adopt the Ordinance approving the Settlement Agreement and implementing the rate change.

Purpose of the Ordinance:

The purpose of the Ordinance is to approve rate tariffs (Exhibit A to the Settlement Agreement) and a tariff that implements a new RRM process (included with Exhibit A). As a result of the negotiations, the Steering Committee was able to reduce the Company’s requested $12 million rate increase by over 30%. Approval of the Ordinance will result in rates that implement an increase of $8.3 million in Atmos West Texas’ revenues effective April 1, 2014. Additionally, the Ordinance approves a new RRM process with the 2015 case to be filed December 1, 2014. The amount of the $8.3 million system-wide increase to be borne by West Texas Cities is $2,566,678.

Reasons Justifying Approval of the Negotiated Resolution:

During the time that the City has retained original jurisdiction in this case, consultants working on behalf of Cities have investigated the support for the Company’s requested rate increase. While the evidence does not support the $12 million increase requested by the Company, Cities’ consultants agree that the Company can justify a slight increase in revenues. The agreement on $8.3 million is a compromise between the positions of the parties. In addition, the rate increase reached in this compromise is based upon a system-wide cost of service for the Company, which eliminates subsidies previously provided to cities that are not members of the Steering Committee. The agreement of the Company to establish its rates throughout its service area on a system-wide cost of service basis is a significant achievement for Cities and a material basis for approval of the rate tariffs.
The alternative to a settlement of the Statement of Intent filing would be a contested case proceeding before the Railroad Commission of Texas (“RRC”) on the Company’s current application, would take several months and cost ratepayers millions of dollars in rate case expenses, and would not likely produce a result more favorable than that to be produced by the settlement. The Steering Committee’s Executive Committee (consisting of representatives from Midland, Odessa, Plainview, Pampa, Levelland, Seminole, Dimmitt, Big Spring, Lamesa, Littlefield, Canyon and Slaton) recommends that Cities take action to approve the Ordinance authorizing new rate tariffs.

**Reasons for Approval of New RRM:**

The RRM process is not new to Atmos West Texas. The Company and Cities negotiated the original form of the RRM in 2008, and Cities approved adjustments to the Company’s rates under this mechanism in 2008, 2009, and 2010. The RRM process was created collaboratively by the Company and the Cities as an alternative to the legislatively authorized Gas Reliability Infrastructure Program (“GRIP”) surcharge process. GRIP, like the RRM, is an alternative form of expedited rate relief for utilities (which avoids the long and costly process of a full rate filing). However, Cities strongly oppose GRIP because it constitutes piecemeal ratemaking, does not allow any reasonableness review, and does not allow participation by cities or recovery of cities’ rate case expenses. In short, GRIP unfairly raises customers’ rates without any real regulatory oversight. The Railroad Commission undertakes only an administrative review of GRIP filings (instead of a full hearing) and the rate increases go into effect without any material adjustments. The RRM process has historically allowed for a more comprehensive rate review and annual adjustment as a substitute for GRIP filings.

The Ordinance and RRM tariff (Exhibit A) approve the format of a revised RRM process that preserves the authority of Cities to annually review and act upon the Company’s RRM filing. Under the provisions of this tariff, the Company will file for adjusted rates by December 1 of each year, and Cities will have until March 31 to take action on the filing before the rates otherwise will go into effect. The RRM tariff continues to allow 50% of the increase to be recovered from the customer charge, but also limits the annual increase in the residential customer charge to $0.50 per month. Under the terms of the recommended tariff, the Company will not make any changes to the residential customer charge with its first filing on December 1, 2014.

The attached RRM tariff provides a discount for Cities for permitting the Company annual rate relief. The RRM tariff includes an “ADJ” adjustment amount that is a reduction from the Company’s requested increase. The ADJ adjustment lowers the Company’s rate request by at least $300,000 each year. Additional reductions will also be made, depending on the size of the Company’s requested increase. The attached RRM tariff also constrains the Company’s capital structure to use no more than 55% equity. In short, this benefits consumers by lowering the Company’s cost of business. Cities are also able to review and make adjustments, such as for operating expenses that are unreasonable.

The alternative to adoption of the attached RRM tariff would be the Company filing for a GRIP adjustment. A GRIP adjustment would place the entire amount of the Company’s requested increase into the customer charge. It is expected that non-members of the Steering Committee will not approve the RRM tariff, but will direct the Company to make its GRIP filing
instead. The Company estimates that its first GRIP filing after implementation of the settlement rates will increase the residential customer charge by an additional $2.50 per month.

**Explanation of “Be It Ordained” Paragraphs:**

1. This paragraph approves all findings in the Ordinance.

2. This paragraph approves the Settlement Agreement.

3. This section adopts the rate tariffs (Exhibit A to the Settlement Agreement), and the RRM tariff (also Exhibit A), and finds the rates set pursuant to the attached tariffs to be just, reasonable and in the public interest. This section also specifically notes that the rates established in the new tariffs are based on a system-wide cost of service. Note that only new tariffs or existing tariffs being revised are attached to the Ordinance. Existing tariffs not being changed in any way are not attached to the Ordinance.

4. This section requires the Company to reimburse Cities for reasonable ratemaking costs associated with reviewing and processing the Statement of Intent application.

5. This section repeals any resolution or ordinance that is inconsistent with this Ordinance.

6. This section finds that the meeting was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

7. This section is a savings clause, which provides that if any section(s) is later found to be unconstitutional or invalid, that finding shall not affect, impair or invalidate the remaining provisions of this Ordinance. This section further directs that the remaining provisions of the Ordinance are to be interpreted as if the offending section or clause never existed.

8. This section provides for an effective date upon passage.

9. This paragraph directs that a copy of the signed Ordinance be sent to a representative of the Company and legal counsel for the Steering Committee.
SETTLEMENT AGREEMENT BETWEEN ATMOS ENERGY CORPORATION, WEST TEXAS DIVISION AND THE WEST TEXAS CITIES STEERING COMMITTEE

WHEREAS, this settlement agreement (the “Settlement Agreement”) is entered into by Atmos Energy Corporation’s West Texas Division (“Atmos Energy” or the “Company”) and the West Texas Cities Steering Committee (“WTX Cities”), which consists of the cities on Exhibit E (collectively “Signatories”);

WHEREAS, Atmos Energy currently has pending before the WTX Cities a Statement of Intent to change rates within the incorporated areas of its West Texas Division (“2013 Rate Filing”); and

WHEREAS, the WTX Cities have hired experts and lawyers to analyze the rates proposed by Atmos Energy in its Rate Filing; and

WHEREAS, the Signatories agree that resolution of this matter by settlement agreement will significantly reduce the amount of reimbursable rate case expenses associated with this matter; and

WHEREAS, the Settlement Agreement resolves all issues between the Signatories regarding the Company’s 2013 Rate Filing, which is currently pending before the WTX Cities, in a manner that the Signatories believe is consistent with the public interest, and the Signatories represent diverse interests; and

WHEREAS, the Signatories believe that the resolution of the issues raised in the 2013 Rate Filing can best be accomplished by each WTX City approving this Settlement Agreement and the rates, terms and conditions reflected in the tariffs attached to this Settlement Agreement as Exhibit A;

NOW, THEREFORE, in consideration of the mutual agreements and covenants established herein, the Signatories, through their undersigned representatives, agree to the following Settlement Terms as a means of fully resolving all issues between the Atmos Energy and the WTX Cities involving the 2013 Rate Filing:

Settlement Terms

1. The Signatories agree to the rates, terms and conditions reflected in the tariffs attached to this Settlement Agreement as Exhibit A. These tariffs should allow Atmos Energy’s West Texas Division an additional, system-wide $8.3 million in annual revenues as illustrated in the proof of revenues attached as part of Exhibit B to this Settlement Agreement. The Signatories agree that the $8.3 million revenue increase is a “black box” amount and is not tied to any specific expense in Atmos Energy’s West Texas Division’s underlying cost of service. Signatories further agree that the rates, terms and conditions reflected in Exhibit A to this Settlement Agreement comply with the rate-setting requirements of Chapter 104 of the Gas Utility Regulatory Act (“GURA”). The gas rates, terms and conditions established by this Settlement Agreement shall, subject to municipal approval, be effective for bills rendered on and after April 1, 2014, and should a
municipality not approve this Settlement Agreement in time for Atmos Energy to implement rates on April 1, 2014, the Signatories agree that on April 1, 2014, Atmos Energy's existing rates will be established as temporary rates for service on and after that date and such temporary rates will be subject to reconciliation back to April 1, 2014, through a surcharge to give effect to the rates agreed to in this Settlement Agreement; provided that the surcharge period be no longer than a period of sixty days.

2. The Signatories agree that rates within Atmos Energy's West Texas Division have, under this Settlement Agreement, been established consistent with implementing a system-wide cost of service methodology.

3. The Signatories agree that it is reasonable to include State Institution customers within the Public Authority customer class. The Signatories further agree to the following customer charges and consumption charges for customers residing in the WTX Cities. These rates are reflected in the rate schedules attached as Exhibit A.

**West Texas Cities Rate Jurisdiction (Incorporated Areas)**

<table>
<thead>
<tr>
<th>Customer Class</th>
<th>Customer Charge</th>
<th>Consumption Charge per Ccf</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>$15.50</td>
<td>$0.101624</td>
</tr>
<tr>
<td>Commercial</td>
<td>$35.00</td>
<td>$0.10094</td>
</tr>
<tr>
<td>Industrial/Transportation</td>
<td>$300.00</td>
<td>$0.07388</td>
</tr>
<tr>
<td>Public Authority</td>
<td>$100.00</td>
<td>$0.09023</td>
</tr>
</tbody>
</table>

4. Signatories agree that the September 30, 2013 balance of $2,881,345.41 related to the Company's regulatory asset under 16 TEX. ADMIN. CODE § 8.209 is reasonable and prudently incurred and shall be included in the Company's rate base.

5. To give effect to Section 104.059 of GURA, Signatories agree that the base year level of pension-related and other post-employment benefits expenses, as shown on the attached Exhibit D and summarized below, shall be as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shared Services Unit - Pension Account Plan (&quot;PAP&quot;)</td>
<td>$546,158</td>
</tr>
<tr>
<td>Shared Services Unit - Post-Retirement Medical Plan (&quot;FAS 106&quot;)</td>
<td>$388,281</td>
</tr>
<tr>
<td>West Texas Division – PAP</td>
<td>$1,843,850</td>
</tr>
<tr>
<td>West Texas Division – FAS 106</td>
<td>$2,732,959</td>
</tr>
<tr>
<td>West Texas Supplemental Executive Retirement Plan (&quot;SERP&quot;)</td>
<td>$77,628</td>
</tr>
</tbody>
</table>

6. Signatories agree that the Rider Tax, Rider FF, Rider WNA and Rider GCA, which are attached as Exhibit A, are reasonable and should be approved.
7. Signatories agree that the base load and heat sensitivity factors referenced in the WNA tariff shall be updated to correspond to those identified in Exhibit F to this Settlement Agreement.

8. Signatories agree that in an effort to streamline the regulatory review process a new Rate Review Mechanism ("Rider RRM") should be adopted. The Rider RRM provides for an annual rate adjustment to reflect changes in billing determinants, operating and maintenance expense, depreciation expense, other taxes expense, and revenues as well as changes in capital investment and associated changes in gross revenue related taxes. The revised RRM tariff is included in Exhibit A. Rider RRM will establish rates for the WTX Cities based on the system-wide cost of serving the West Texas Division, which includes the Amarillo, Lubbock and WTX Cities rate jurisdictions.

9. The Signatories agree that the Company’s annual RRM filing will reflect an actual capital structure comprised of equity and long-term debt as of the test period end, adjusted for any known and measurable changes that have occurred prior to the file date. Signatories further agree that the equity portion of the capital structure utilized in an annual RRM filing shall not exceed 55% equity. Notwithstanding the preceding sentence, in the event that the Railroad Commission of Texas ("Commission") issues a final rate order adopting a capital structure for Atmos Energy that exceeds 55% equity, the Signatories agree that the annual RRM filing will reflect that Commission-approved capital structure.

10. The Signatories agree that for purposes of interim rate adjustments filed pursuant to Section 104.301 of GURA, Atmos Energy shall use the net plant amount of $402,630,670 as the beginning plant balance for the first interim rate adjustment ("IRA") filing made pursuant to Section § 104.301. The Signatories agree that any filing made pursuant to Section 104.301 of GURA shall be based on the cost of changes in the investment in the West Texas Division, which includes the Amarillo, Lubbock and WTX Cities rate jurisdictions. The Signatories further agree that Atmos Energy shall use the capital structure and cost of debt and equity established in the Commission’s final order in GUD No. 10170 and the additional factors identified on the attached Exhibit C for future IRA filings.

11. The Signatories agree that Atmos Energy shall not create a regulatory asset associated with the over-and-under collection of franchise fees unless specifically authorized to do so by either a municipal authority having original jurisdiction over the Company’s gas utility rates or the Railroad Commission of Texas.

12. With regard to rate case expenses, Signatories agree that: (1) WTX Cities’ rate case expenses shall be recovered from customers within the incorporated areas of the WTX Cities rate jurisdiction and; (2) Company expenses shall be recovered from customers within the entire incorporated areas of the West Texas Division, which includes the WTX Cities, Amarillo and Lubbock rate jurisdictions. Signatories further agree that the parties’ reasonable rate case expenses should be recovered by surcharge over a twelve-month period as shown in the Rider SUR, attached as Exhibit A.

13. The Signatories agree to support and seek municipal approval of this Settlement Agreement.
14. The Signatories agree that neither this Settlement Agreement nor any oral or written statements made during the course of settlement negotiations may be used for any purpose other than as necessary to support the entry by a City of an ordinance or resolution approving this Settlement Agreement. Signatories further expressly agree that this Settlement Agreement and any oral or written statements made during the course of settlement negotiations are privileged, inadmissible, and not relevant to prove any issues associated with Atmos Energy’s 2013 Rate Filing.

15. The Signatories agree that the terms of the Settlement Agreement are interdependent and indivisible, and that if a City enters an order that is inconsistent with this Settlement Agreement, then any Signatory may withdraw without being deemed to have waived any procedural right or to have taken any substantive position on any fact or issue by virtue of that Signatory’s entry into the Settlement Agreement or its subsequent withdrawal.

16. The Signatories agree that this Settlement Agreement is binding on each Signatory only for the purpose of settling the issues set forth herein and for no other purposes, and except to the extent the Settlement Agreement governs a Signatory’s rights and obligations for future periods, this Settlement Agreement shall not be binding or precedent upon a Signatory outside this proceeding.

17. The Signatories agree that this Settlement Agreement may be executed in multiple counterparts and may be filed with facsimile signatures.

Agreed to this ___ day of February, 2014.

ATMOS ENERGY CORP, WEST TEXAS DIVISION

By: _____________________________
    David J. Park

STEERING COMMITTEE OF CITIES SERVED BY ATMOS WEST TEXAS

By: _____________________________
    Geoffrey M. Gay
Availability

This schedule is applicable to general use by Residential customers for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

<table>
<thead>
<tr>
<th>Charge</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Charge</td>
<td>$15.50</td>
</tr>
<tr>
<td>Consumption Charge</td>
<td>$0.10162 per Ccf</td>
</tr>
</tbody>
</table>

The West Texas Division Gas Cost Adjustment Rider applies to this schedule.

The West Texas Division Weather Normalization Adjustment Rider applies to this schedule.

The West Texas Division Rider TAX applies to this schedule.

The West Texas Division Rider FF applies to this schedule.

The West Texas Division Rider RRM applies to this schedule.

Miscellaneous Charges: Plus an amount for miscellaneous charges calculated in accordance with the applicable rider(s).
WEST TEXAS DIVISION  
ATMOS ENERGY CORPORATION

EXHIBIT A

<table>
<thead>
<tr>
<th>RATE SCHEDULE:</th>
<th>COMMERCIAL GAS SERVICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>APPLICABLE TO:</td>
<td>WEST TEXAS CITIES SERVICE AREA – Inside City Limits (ICL)</td>
</tr>
<tr>
<td>EFFECTIVE DATE:</td>
<td>Bills Rendered on and after 4/01/2014</td>
</tr>
</tbody>
</table>

Availability

This schedule is applicable to Commercial customers, including hospitals and churches, for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

<table>
<thead>
<tr>
<th>Charge</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Charge</td>
<td>$ 35.00</td>
</tr>
<tr>
<td>Consumption Charge</td>
<td>$ 0.10094 per Ccf</td>
</tr>
</tbody>
</table>

The West Texas Division Gas Cost Adjustment Rider applies to this schedule.

The West Texas Division Weather Normalization Adjustment Rider applies to this schedule.

The West Texas Division Rider TAX applies to this schedule.

The West Texas Division Rider FF applies to this schedule.

The West Texas Division Rider RRM applies to this schedule.

Miscellaneous Charges: Plus an amount for miscellaneous charges calculated in accordance with the applicable rider(s).
Availability

This schedule is applicable to the sales to any industrial or commercial customer whose predominant use of natural gas is other than space heating, cooking, water heating or other similar type uses. Service under this schedule is available to eligible customers following execution of a contract specifying the maximum hourly load. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

<table>
<thead>
<tr>
<th>Charge</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Charge</td>
<td>$ 300.00</td>
</tr>
<tr>
<td>Consumption Charge</td>
<td>$ 0.07388 per Ccf</td>
</tr>
</tbody>
</table>

The West Texas Division Gas Cost Adjustment Rider applies to this schedule.

The West Texas Division Rider TAX applies to this schedule.

The West Texas Division Rider FF applies to this schedule.

The West Texas Division Rider RRM applies to this schedule.

Miscellaneous Charges: Plus an amount for miscellaneous charges calculated in accordance with the applicable rider(s).
WEST TEXAS DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE: PUBLIC AUTHORITY GAS SERVICE
APPLICABLE TO: WEST TEXAS CITIES SERVICE AREA – Inside City Limits (ICL)
EFFECTIVE DATE: Bills Rendered on and after 4/01/2014

Availability

This schedule is applicable to general use by Public Authority type customers, including public schools, for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

<table>
<thead>
<tr>
<th>Charge</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Charge</td>
<td>$ 100.00</td>
</tr>
<tr>
<td>Consumption Charge</td>
<td>$ 0.09023 per Ccf</td>
</tr>
</tbody>
</table>

The West Texas Division Gas Cost Adjustment Rider applies to this schedule.

The West Texas Division Weather Normalization Adjustment Rider applies to this schedule.

The West Texas Division Rider TAX applies to this schedule.

The West Texas Division Rider FF applies to this schedule.

The West Texas Division Rider RRM applies to this schedule.

Miscellaneous Charges: Plus an amount for miscellaneous charges calculated in accordance with the applicable rider(s).
Application
Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., West Texas Division Distribution System 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 with an estimated annual usage greater than 100,000 Ccf per 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 bill will be calculated by adding the following Customer and Ccf charges to the amounts and quantities due under the riders listed below:

<table>
<thead>
<tr>
<th>Charge</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Charge per Meter</td>
<td>$ 300.00 per month</td>
</tr>
<tr>
<td>Consumption Charge</td>
<td>$ 0.07386 per Ccf</td>
</tr>
</tbody>
</table>

Upstream Transportation Cost Recovery: The customer is responsible for all upstream transportation costs.

Retention Adjustment: Plus a quantity of gas equal to the Company’s most recently calculated financial L&U percentage for the twelve months ended September multiplied by the gas received into Atmos Energy Corporation's West Texas Division for transportation to the customer.

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).

Miscellaneous Charges: Plus an amount for miscellaneous charges calculated in accordance with the applicable rider(s).

The West Texas Division Rider RRM applies to this schedule.

Conversions: Units may be converted from Ccf to Mcf or Mmbtu as necessary to comply with the underlying transportation agreement.
RATE SCHEDULE:  TRANSPORTATION SERVICE  

APPLICABLE TO:  WEST TEXAS CITIES SERVICE AREA – Inside City Limits (ICL)  

EFFECTIVE DATE:  Bills Rendered on or after 4/01/2014  

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 a monthly imbalance fee at the end of each month as defined in the applicable Transportation Agreement.

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 "Index" price reported for the month of delivery in Inside FERC's Gas Market Report under the heading "West Texas Waha".

Replacement Index  
In the event the "Index" price reported for the month of delivery in Inside FERC's Gas Market Report under the heading "West Texas Waha" 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 transportation service under this tariff, customer must have the type of meter, instrumentation, and communication required by Company. Customer must pay Company all costs associated with the acquisition and installation of the required equipment.
Application

Gas bills issued under rate schedules to which this Rider applies will include adjustments to reflect decreases or increases in purchased gas costs or taxes. Accumulated Deferred Gas Costs shall also be adjusted for gas cost amounts which are uncollectible. Any such adjustments shall be filed with the appropriate regulatory authority before the beginning of the month in which the adjustment will be applied to bills. The amount of each adjustment shall be computed as follows:

**Gas Cost Adjustment (GCA)**

The GCA to be applied to each Ccf billed shall be computed as follows and rounded to the nearest $0.01:

\[ GCA = \left( \frac{G}{S} + CF \right) \]

Where:

1. \( G \), in dollars, is the expected cost of gas for the expected sales billing units.

2. \( S \), in Ccf as measured at local atmospheric pressure, is the expected sales billing units to be billed to customers in the respective section of the Company's West Texas Division.

3. \( CF \), in \$/Ccf as measured at local atmospheric pressure, is a correction factor charge per Ccf to adjust for the cumulative monthly differences between the cost of gas purchased by the Company and the amount of gas cost billed the customer plus any gas cost which is uncollectible.

More specifically, CF shall be calculated as follows:

\[ CF = \left( \frac{a}{b} \right) + \left( \frac{c}{b} \right) \]

\( a = \) over (under) collection dollar amount for the 12 month period ending September.

\( b = \) expected estimated sales volumes for the future 12 month period ending November.

\( c = \) net uncollectible gas cost, that is:

(uncollectible gas cost for the previous 12 months ended September) – (subsequently collected gas cost for the previous 12 months ended September)

Once a year, on a 12 months ended September basis, the Company shall review the percentage of lost and unaccounted for gas. If this percentage exceeds 5% of the amount metered in, the correcting account balance will be reduced so that the customer will effectively be charged a maximum of 5% for lost and unaccounted for gas and the Company will absorb the excess.
ATMOS ENERGY CORPORATION
WEST TEXAS DISTRIBUTION SYSTEM

RATE SCHEDULE: WEST TEXAS DIVISION WEATHER NORMALIZATION ADJUSTMENT (WNA) RIDER
APPLICABLE TO: ALL AREAS IN THE WEST TEXAS DIVISION
EFFECTIVE DATE: Bills Rendered on and after 10/01/2012

Provisions for Adjustment
The base rate per Ccf (100,000 Btu) for gas service set forth in any Rate Schedules utilized in all cities in the West Texas Division or their environs 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, commercial, public authority, and state institution bills based on meters read during the revenue months of October through May.

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:

<table>
<thead>
<tr>
<th>WNAF</th>
<th>( R_i ) ( \frac{(HSF_i)(NDD-ADD)}{(BL_i)} )</th>
</tr>
</thead>
<tbody>
<tr>
<td>i</td>
<td>( = \frac{(BL_i) + (HSF_i \times ADD)}{} )</td>
</tr>
</tbody>
</table>

Where

- \( WNAF_i \) = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification

- \( R_i \) = base rate of temperature sensitive sales for the \( i \)th schedule or classification utilized

- \( HSF_i \) = heat sensitive factor for the \( i \)th schedule or classification divided by the average bill count in that class

- \( NDD_i \) = billing cycle normal heating degree days

- \( ADD_i \) = 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:

<table>
<thead>
<tr>
<th>WNA</th>
<th>( WNAF_i \times q_{ij} )</th>
</tr>
</thead>
<tbody>
<tr>
<td>i</td>
<td>Where ( q_{ij} ) is the relevant sales quantity for the ( j )th Customer in ( i )th rate schedule</td>
</tr>
</tbody>
</table>
RIDER: FF - FRANCHISE FEE ADJUSTMENT

APPLICABLE TO: ALL AREAS IN THE WEST TEXAS DIVISION

EFFECTIVE DATE: Bills Rendered on and after 10/01/2012

Application

Applicable to Customers inside the corporate limits of an incorporated municipality that imposes a municipal franchise fee upon Company for the Gas Service provided to Customer. Franchise Fees to be assessed solely to customers within the municipal limits. This does not apply to Environ customers.

Monthly Adjustment

Company will adjust Customer's bill each month in an amount equal to the municipal franchise fees payable for the Gas Service provided to Customer by Company. Municipal franchise fees are determined by each municipality’s franchise ordinance. Each municipality’s franchise ordinance will specify the percentage and applicability of franchise fees.

From time to time, Company will make further adjustments to Customer's bill to account for any over- or under-recovery of municipal franchise fees by Company.
WEST TEXAS DIVISION
ATMOS ENERGY CORPORATION

<table>
<thead>
<tr>
<th>RIDER:</th>
<th>TAX - TAX ADJUSTMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>APPLICABLE TO:</td>
<td>ALL AREAS IN THE WEST TEXAS DIVISION</td>
</tr>
<tr>
<td>EFFECTIVE DATE:</td>
<td>Bills Rendered on and after 10/01/2012</td>
</tr>
</tbody>
</table>

Application

Applicable to Customers taking service under Residential, Commercial, Industrial, Public Authority, and State Institution customers to the extent of state gross receipts taxes only.

Each monthly bill shall be adjusted for state gross receipts taxes imposed by Sections 182-021 - 182-025 of the Texas Tax Code.

Each monthly bill shall also be adjusted by an amount equivalent to the amount of all applicable taxes and any other governmental impositions, rentals, fees, or charges (except state, county, city, and special district ad valorem taxes and taxes on net income) levied, assessed, or imposed upon or allocated to Company with respect to the Gas Service provided to Customer by Company, and any associated facilities involved in the performance of such Gas Service. Each monthly bill shall also be adjusted by an amount equivalent to the proportionate part of any increase or decrease of any tax and any other governmental imposition, rental, fee, or charge (except state, county, city, and special district ad valorem taxes and taxes on net income) levied, assessed, or imposed subsequent to the effective date of this tariff, upon or allocated to Company's operations, by any new or amended law, ordinance, or contract.
**ATMOS ENERGY CORPORATION**  
**WEST TEXAS DIVISION**

<table>
<thead>
<tr>
<th>RATE SCHEDULE:</th>
<th>OTHER SERVICE CHARGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>APPLICABLE TO:</td>
<td>ALL AREAS IN THE WEST TEXAS DIVISION</td>
</tr>
<tr>
<td>EFFECTIVE DATE:</td>
<td>Bills Rendered on and after 10/01/2012</td>
</tr>
</tbody>
</table>

The service charges on this tariff will be applied in accordance with Atmos Energy’s Quality of Service rules and Commission rule 7.45.

**DURING BUSINESS HOURS:**

These charges apply to services initiated between 8am and 5pm, Monday through Friday.

<table>
<thead>
<tr>
<th>Charge</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turn On New Service With Meter Set</td>
<td>$45.00</td>
</tr>
<tr>
<td>Turn On Service (shut-in test required)</td>
<td>$37.00</td>
</tr>
<tr>
<td>Turn On Service (meter read only required)</td>
<td>$21.00</td>
</tr>
<tr>
<td>Miscellaneous Service Charge Calls</td>
<td>$10.00</td>
</tr>
<tr>
<td>Reconnect Delinquent Service or Service Temporarily Off at Customer’s Request</td>
<td>$47.00</td>
</tr>
<tr>
<td>Return Check Fee</td>
<td>$25.00</td>
</tr>
<tr>
<td>Tampering Fee</td>
<td>$150.00</td>
</tr>
</tbody>
</table>

**AFTER BUSINESS HOURS:**

These charges apply to services initiated between 5pm and 8am, Monday through Friday, and all day Saturday and Sunday.

<table>
<thead>
<tr>
<th>Charge</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turn On New Service With Meter Set</td>
<td>$67.50</td>
</tr>
<tr>
<td>Turn On Service (shut-in test required)</td>
<td>$55.50</td>
</tr>
<tr>
<td>Turn On Service (meter read only required)</td>
<td>$31.50</td>
</tr>
<tr>
<td>Miscellaneous Service Charge Calls</td>
<td>$15.00</td>
</tr>
<tr>
<td>Reconnect Delinquent Service or Service Temporarily Off at Customer’s Request</td>
<td>$70.50</td>
</tr>
<tr>
<td>Tampering Fee</td>
<td>$150.00</td>
</tr>
</tbody>
</table>
I. Applicability

Applicable to Residential, Commercial, Industrial, Public Authority, and Transportation tariff incorporated areas customers in the West Texas Division of Atmos Energy Corporation ("Company") with the exception of those customers within the Cities of Amarillo, Lubbock, Dalhart, and Channing. This Rate Review Mechanism ("RRM") provides for an annual adjustment to the Company's Residential, Commercial, Industrial, Public Authority, and Transportation Rate Schedules ("Applicable Rate Schedules"). Rate calculations and adjustments required by this tariff shall be determined on a System-Wide cost basis.

II. Definitions

"Test Period" is defined as the twelve months ending September 30th of each preceding calendar year.

The "Effective Date" is the date that adjustments required by this tariff are applied to customer bills. The annual Effective Date is March 15.

Unless otherwise noted in this tariff, the term "Final Order" refers the final order issued by the Railroad Commission of Texas in GUD 10170.

The term "System-Wide" means all incorporated and unincorporated areas served by the Company within the West Texas Division.

"Review Period" is defined as the period from the Filing Date until the Effective Date.

The "Filing Date" is as early as practicable, but no later than December 1 of each year.

III. Calculation

The RRM shall calculate an annual, System-Wide cost of service ("COS") that will be used to adjust applicable rate schedules prospectively as of the Effective Date. The annual cost of service will be calculated according to the following formula:

\[
COS = OM + DEP + RI + TAX + CD - ADJ
\]

Where:

OM = all reasonable and necessary operation and maintenance expenses from the Test Period adjusted for known and measurable items and prepared
consistent with the rate making treatments approved in the Final Order. Known and measurable adjustments shall be limited to those changes that have occurred prior to the Filing Date. OM may be adjusted for atypical and non-recurring items. Shared Services allocation factors shall be recalculated each year based on the latest component factors used during the Test Period, but the methodology used will be that approved in the Final Order.

\[
\text{DEP} = \text{depreciation expense calculated at depreciation rates approved by the Final Order from GUD 10041 for the West Texas Division direct depreciation rates and the Final Order from GUD 10170 for Shared Services depreciation rates}
\]

\[
\text{RI} = \text{return on investment calculated as the Company's pretax return multiplied by rate base at Test Period end. Rate base is prepared consistent with the rate making treatments approved in the Final Order, except that no post Test Period adjustments will be permitted. Pretax return is the Company's weighted average cost of capital before income taxes. The Company's weighted average cost of capital is calculated using the methodology from the Final Order including the Company's actual capital structure and long term cost of debt as of the Test Period end (adjusted for any known and measurable changes that have occurred prior to the filing date) and the return on equity from the Final Order. However, in no event will the percentage of equity exceed 55%. Notwithstanding the preceding sentence, in the event that the Commission issues a final rate order adopting a capital structure for Atmos Energy that exceeds 55% equity, the Signatories agree that the annual RRM filing will reflect the Commission-approved capital structure. Regulatory adjustments due to prior regulatory rate base adjustment disallowances will be maintained. Cash working capital will be calculated using the lead/lag days approved in the Final Order. With respect to pension and other postemployment benefits, the Company will record a regulatory asset or liability for these costs until the amounts are included in the next annual rate adjustment implemented under this tariff. Each year, the Company's filing under this Rider RRM will clearly state the level of pension and other postemployment benefits recovered in rates.}
\]

\[
\text{TAX} = \text{income tax and taxes other than income tax from the Test Period adjusted for known and measurable changes occurring after the Test Period and before the Filing Date, and prepared consistent with the rate making treatments approved in the Final Order.}
\]

\[
\text{CD} = \text{interest on customer deposits.}
\]
ADJ = Downward adjustment to the overall, System-Wide test year cost of service in the amount of $300,000.00, adjusted by a percentage equal to the total percentage increase in base-rate revenue sought pursuant to this tariff.

IV. Annual Rate Adjustment

The Company shall provide schedules and work papers supporting the Filing’s revenue deficiency/sufficiency calculations using the methodology accepted in the Final Order. The result shall be reflected in the proposed new rates to be established for the effective period. The Revenue Requirement will be apportioned to customer classes consistent with class revenue distribution resulting from the settlement of the statement of intent filed October 18, 2013. For the Residential Class, 50% of the increase may be recovered in the customer charge. The increase to the Residential customer charge shall not exceed $0.50 per month in any given year. The remainder of the Residential Class increase not collected in the customer charge will be recovered in the usage charge. The Company will forgo any change in the Residential customer charge with the first proposed rate adjustment pursuant to this tariff. For all other classes, the change in rates will be apportioned between the customer charge and the usage charge, consistent with the Final Order. Test Period billing determinants shall be adjusted and normalized according to the methodology utilized in the Final Order.

V. Filing

The Company shall file schedules annually with the regulatory authority having original jurisdiction over the Company’s rates on or before the Filing Date that support the proposed rate adjustments. The schedules shall be in the same general format as the cost of service model and relied-upon files upon which the Final Order was based. A proof of rates and a copy of current and proposed tariffs shall also be included with the filing. The filing shall be made in electronic form where practical. The Company’s filing shall conform to Minimum Filing Requirements (to be agreed upon by the parties), which will contain a minimum amount of information that will assist the regulatory authority in its review and analysis of the filing. The Company and regulatory authority will endeavor to hold a technical conference regarding the filing within ten (10) calendar days after the Filing Date.

The 2014 Filing Date will be December 1, 2014.

A sworn statement shall be filed by an Officer of the Company affirming that the filed schedules are in compliance with the provisions of this Rate Review Mechanism and are true and correct to the best of his/her knowledge, information, and belief. No
testimony shall be filed, but a brief narrative explanation shall be provided of any changes to corporate structure, accounting methodologies, allocation of common costs, or atypical or non-recurring items included in the filing.

VI. Evaluation Procedures

The regulatory authority having original jurisdiction over the Company's rates shall review and render a decision on the Company's proposed rate adjustment prior to the Effective Date. The Company shall provide all supplemental information requested to ensure an opportunity for adequate review by the relevant regulatory authority. The Company shall not unilaterally impose any limits upon the provision of supplemental information and such information shall be provided within seven (7) working days of the original request. The regulatory authority may propose any adjustments it determines to be required to bring the proposed rate adjustment into compliance with the provisions of this tariff.

The regulatory authority may disallow any net plant investment that is not shown to be prudently incurred. Approval by the regulatory authority of net plant investment pursuant to the provisions of this tariff shall constitute a finding that such net plant investment was prudently incurred. Such finding of prudence shall not be subject to further review in a subsequent RRM or Statement of Intent filing.

During the Review Period, the Company and the regulatory authority will work collaboratively and seek agreement on the level of rate adjustments. If, at the end of the Review Period, the Company and the regulatory authority have not reached agreement, the regulatory authority shall take action to modify or deny the proposed rate adjustments. The Company shall have the right to appeal the regulatory authority's action to the Railroad Commission of Texas. Upon the filing of an appeal of the regulatory authority's order relating to an annual RRM filing with the Railroad Commission of Texas, the regulatory authority having original jurisdiction over the Company's rates shall not oppose the implementation of the Company's proposed rates subject to refund, nor will the regulatory authority advocate for the imposition of a third party surety bond by the Company. Any refund shall be limited to and determined based on the resolution of the disputed adjustment(s) in a final, non-appealable order issued in the appeal filed by the Company at the Railroad Commission of Texas.

In the event that the regulatory authority and Company agree to a rate adjustment(s) that is different from the adjustment(s) requested in the Company's filing, the Company shall file compliance tariffs consistent with the agreement. No action on the part of the regulatory authority shall be required to allow the rate adjustment(s) to become effective on March 15. To the extent that the regulatory authority does not take action on the Company's RRM filing by March 14, the rates proposed in the Company's filing shall be
deemed approved effective March 15. (2014 filing RRM rate will be effective March 15, 2015 if no action is taken). Notwithstanding the preceding sentence, a regulatory authority may choose to take affirmative action to approve a rate adjustment under this tariff. In those instances where such approval cannot reasonably occur by March 14, the rates finally approved by the regulatory authority shall be deemed effective as of March 15.

To defray the cost, if any, of regulatory authorities conducting a review of the Company’s annual RRM filing, the Company shall reimburse the regulatory authorities on a monthly basis for their reasonable expenses incurred upon submission of invoices for such review. Any reimbursement contemplated hereunder shall be deemed a reasonable and necessary operating expense of the Company in the year in which the reimbursement is made. A regulatory authority seeking reimbursement under this provision shall submit its request for reimbursement to the Company no later than May 15 of the year in which the RRM filing is made and the Company shall reimburse regulatory authorities in accordance with this provision on or before June 15 of the year the RRM filing is made.

To the extent possible, the provisions of the Final Order shall be applied by the regulatory authority in determining whether to approve or disapprove of Company’s proposed rate adjustment.

This Rider RRM does not limit the legal rights and duties of a regulatory authority. Nothing herein shall abrogate the jurisdiction of the regulatory authority to initiate a rate proceeding at any time to review whether rates charged are just and reasonable. Similarly, the Company retains its right to utilize the provisions of Texas Utilities Code, Chapter 104, Subchapter C to request a change in rates. The provisions of this Rider RRM are implemented in harmony with the Gas Utility Regulatory Act (Texas Utilities Code, Chapters 101-105).

The annual rate adjustment process set forth in this tariff shall remain in effect during the pendency of any Statement of Intent rate filing.

VII. Reconsideration, Appeal and Unresolved Items

Orders issued pursuant to this mechanism are ratemaking orders and shall be subject to appeal under Sections 102.001(b) and 103.021, et seq., of the Texas Utilities Code (Vernon 2007).
VIII. Notice

Notice of each annual RRM filing shall be provided by including the notice, in conspicuous form, in the bill of each directly affected customer no later than forty-five (45) days after the Company makes its annual filing pursuant to this tariff. The notice to customers shall include the following information:

a) a description of the proposed revision of rates and schedules;

b) the effect the proposed revision of rates is expected to have on the rates applicable to each customer class and on an average bill for each affected customer;

c) the service area or areas in which the proposed rates would apply;

d) the date the annual RRM filing was made with the regulatory authority; and

e) the Company's address, telephone number and website where information concerning the proposed rate adjustment be obtained.
Applicability

The Rate Case Expense Surcharge (RCE) rate as set forth below is pursuant to Settlement Agreement to the Statement of Intent filed with the municipalities in Atmos Energy’s West Texas Division on October 18, 2013. This monthly rate shall apply to the residential, commercial, industrial, and public authority / state institution rate schedules of Atmos Energy Corporation’s West Texas Division in the rate areas and amounts noted below. The rate will be in effect for approximately 12 months until all approved and expended rate case expenses are recovered from the applicable customer classes. This rider is subject to all applicable laws and orders, and the Company’s rules and regulations on file with the regulatory authority.

Rate Schedule: Residential

<table>
<thead>
<tr>
<th>Rate Area</th>
<th>Monthly Surcharge</th>
</tr>
</thead>
<tbody>
<tr>
<td>WTX Cities Incorporated</td>
<td>$ 0.00228 per Ccf</td>
</tr>
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</table>

Rate Schedule: Commercial

<table>
<thead>
<tr>
<th>Rate Area</th>
<th>Monthly Surcharge</th>
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</thead>
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<tr>
<td>WTX Cities Incorporated</td>
<td>$ 0.00154 per Ccf</td>
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Rate Schedule: Industrial

<table>
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<th>Rate Area</th>
<th>Monthly Surcharge</th>
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<td>WTX Cities Incorporated</td>
<td>$ 0.00175 per Ccf</td>
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</table>

Rate Schedule: Public Authority / State Institution

<table>
<thead>
<tr>
<th>Rate Area</th>
<th>Monthly Surcharge</th>
</tr>
</thead>
<tbody>
<tr>
<td>WTX Cities Incorporated</td>
<td>$ 0.00081 per Ccf</td>
</tr>
</tbody>
</table>

OTHER ADJUSTMENTS

The above rate schedules shall be adjusted for all applicable taxes (including franchise fees for incorporated customers) related to the above.
<table>
<thead>
<tr>
<th>Line No.</th>
<th>Description</th>
<th>West Texas ICL (b)</th>
<th>Amarillo ICL (c)</th>
<th>Amarillo OCL (d)</th>
<th>Lubbock ICL (e)</th>
<th>Lubbock OCL (f)</th>
<th>Total (g)</th>
<th>Reference</th>
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<tbody>
<tr>
<td>1</td>
<td>Rate Characteristics:</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>2</td>
<td>Customer Charge</td>
<td>$13.50</td>
<td>$13.50</td>
<td>$13.50</td>
<td>$13.50</td>
<td>$13.50</td>
<td>$13.50</td>
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<td>3</td>
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</tr>
<tr>
<td>4</td>
<td>Consumption Charge ($/Ccf)</td>
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<td>$0.17055</td>
<td>$0.07550</td>
<td>$0.07550</td>
<td>$0.09175</td>
<td>$0.09175</td>
<td>Tariff-Rates</td>
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<tr>
<td>5</td>
<td>All Consumption</td>
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</tr>
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<td>6</td>
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<td></td>
</tr>
<tr>
<td>7</td>
<td>Billing Units:</td>
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<td></td>
</tr>
<tr>
<td>8</td>
<td>Bills</td>
<td>1,491,886</td>
<td>151,445</td>
<td>788,743</td>
<td>30,450</td>
<td>751,234</td>
<td>54,930</td>
<td>3,296,688</td>
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<tr>
<td>9</td>
<td>Total Ccf</td>
<td>73,084,407</td>
<td>8,611,518</td>
<td>50,915,223</td>
<td>2,218,827</td>
<td>35,968,392</td>
<td>3,487,952</td>
<td>174,286,519</td>
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<td>Billing Determinants Study</td>
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<tr>
<td>11</td>
<td>Present Revenue:</td>
<td>$20,140,462</td>
<td>$2,044,511</td>
<td>$10,621,035</td>
<td>$411,070</td>
<td>$10,141,656</td>
<td>$741,555</td>
<td>$44,100,288</td>
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<td>$30,00</td>
<td>$30,00</td>
<td>$30,00</td>
<td>$30,00</td>
<td>$30,00</td>
<td>Tariff-Rates</td>
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<tr>
<td>13</td>
<td>Consumption Charge</td>
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<td></td>
</tr>
<tr>
<td>14</td>
<td>Total Present Base Revenue - Residential</td>
<td>$29,350,329</td>
<td>$3,513,205</td>
<td>$14,485,134</td>
<td>$576,592</td>
<td>$13,441,774</td>
<td>$1,081,575</td>
<td>$62,419,808</td>
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<td>Sum of Ln. 12 through Ln. 13</td>
</tr>
<tr>
<td>16</td>
<td>Commercial</td>
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<tr>
<td>17</td>
<td>Rate Characteristics:</td>
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<td></td>
</tr>
<tr>
<td>18</td>
<td>Customer Charge</td>
<td>$30,00</td>
<td>$30,00</td>
<td>$30,00</td>
<td>$30,00</td>
<td>$30,00</td>
<td>$30,00</td>
<td>Tariff-Rates</td>
</tr>
<tr>
<td>19</td>
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<td>20</td>
<td>Consumption Charge ($/Ccf)</td>
<td>$0.09317</td>
<td>$0.11330</td>
<td>$0.09794</td>
<td>$0.09794</td>
<td>$0.09045</td>
<td>$0.09045</td>
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</tr>
<tr>
<td>21</td>
<td>All Consumption</td>
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<td>22</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>Billing Units:</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>Bills</td>
<td>125,043</td>
<td>21,215</td>
<td>70,734</td>
<td>2,225</td>
<td>88,374</td>
<td>3,918</td>
<td>291,508</td>
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<tr>
<td>25</td>
<td>Total Ccf</td>
<td>26,461,500</td>
<td>6,902,348</td>
<td>21,853,008</td>
<td>762,343</td>
<td>15,580,245</td>
<td>597,554</td>
<td>72,156,999</td>
</tr>
<tr>
<td>26</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td>Billing Determinants Study</td>
</tr>
<tr>
<td>27</td>
<td>Present Revenue:</td>
<td>$3,751,300</td>
<td>$636,445</td>
<td>$2,122,015</td>
<td>$66,736</td>
<td>$2,051,212</td>
<td>$117,533</td>
<td>$8,745,240</td>
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<tr>
<td>28</td>
<td>Customer Charge</td>
<td>$2,465,418</td>
<td>782,036</td>
<td>2,140,284</td>
<td>74,664</td>
<td>1,409,233</td>
<td>54,049</td>
<td>8,925,683</td>
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<td>Consumption Charge</td>
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<td></td>
</tr>
<tr>
<td>31</td>
<td>Total Present Base Revenue - Commercial</td>
<td>$6,216,718</td>
<td>$1,418,481</td>
<td>$4,262,298</td>
<td>$141,400</td>
<td>$3,460,445</td>
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<td>$15,670,923</td>
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<td>Sum of Ln. 29 through Ln. 30</td>
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<td>33</td>
<td>Industrial and Transportation (1)</td>
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<td>34</td>
<td>Rate Characteristics:</td>
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<td></td>
</tr>
<tr>
<td>35</td>
<td>Customer Charge</td>
<td>$275.00</td>
<td>$275.00</td>
<td>$275.00</td>
<td>$275.00</td>
<td>$275.00</td>
<td>$275.00</td>
<td>Tariff-Rates</td>
</tr>
<tr>
<td>36</td>
<td></td>
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<tr>
<td>37</td>
<td>Consumption Charge ($/Ccf)</td>
<td>$0.05286</td>
<td>$0.06091</td>
<td>$0.11273</td>
<td>$0.11273</td>
<td>$0.07402</td>
<td>$0.07402</td>
<td>Tariff-Rates</td>
</tr>
<tr>
<td>38</td>
<td>All Consumption</td>
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<td></td>
<td></td>
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<td></td>
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<td>39</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>40</td>
<td>Billing Units:</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>41</td>
<td>Bills</td>
<td>894</td>
<td>1,317</td>
<td>243</td>
<td>20</td>
<td>530</td>
<td>48</td>
<td>3,052</td>
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<tr>
<td>42</td>
<td>Total Ccf</td>
<td>2,747,921</td>
<td>5,004,868</td>
<td>2,318,088</td>
<td>76,884</td>
<td>2,988,536</td>
<td>151,292</td>
<td>13,287,170</td>
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<tr>
<td>43</td>
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<td></td>
<td></td>
<td></td>
<td>Billing Determinants Study</td>
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<tr>
<td>44</td>
<td>Present Revenue:</td>
<td>$245,850</td>
<td>$362,175</td>
<td>$66,825</td>
<td>$5,500</td>
<td>$145,750</td>
<td>$13,200</td>
<td>$839,300</td>
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<tr>
<td>45</td>
<td>Customer Charge</td>
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<td></td>
<td>Ln. 36 times Ln. 42</td>
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</tbody>
</table>
# ATMOS ENERGY CORPORATION
## WEST TEXAS SYSTEM STATEMENT OF INTENT
### SUMMARY PROOF OF REVENUE AT CURRENT RATES
#### TEST YEAR ENDING JUNE 30, 2013

<table>
<thead>
<tr>
<th>Line No.</th>
<th>Description</th>
<th>West Texas</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>West Texas ICL</td>
<td>OCL</td>
</tr>
<tr>
<td>47</td>
<td>Consumption Charge</td>
<td>145,255</td>
<td>304,834</td>
</tr>
<tr>
<td>48</td>
<td>Total Present Base Revenue - Industrial &amp; Transportation</td>
<td>$391,105</td>
<td>$667,009</td>
</tr>
</tbody>
</table>

**Public Authority**

<table>
<thead>
<tr>
<th>Rate Characteristics:</th>
<th>Customer Charge</th>
<th>$75.00</th>
<th>75.00</th>
<th>75.00</th>
<th>75.00</th>
<th>75.00</th>
<th>75.00</th>
<th>Tariff-Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption Charge ($/Ccf)</td>
<td>$0.08431</td>
<td>$0.10076</td>
<td>$0.10638</td>
<td>$0.10838</td>
<td>$0.12981</td>
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<td>Tariff-Rates</td>
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</tr>
<tr>
<td>Total Ccf</td>
<td>15,391</td>
<td>1,049</td>
<td>2,148</td>
<td>253</td>
<td>545</td>
<td>152</td>
<td>19,538</td>
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</tr>
<tr>
<td>Billing Units:</td>
<td>11,017,111</td>
<td>696,989</td>
<td>3,145,163</td>
<td>1,578,428</td>
<td>493,692</td>
<td>345,146</td>
<td>17,279,508</td>
<td>Billing Determinants Study</td>
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</tbody>
</table>

**State Institution**

<table>
<thead>
<tr>
<th>Rate Characteristics:</th>
<th>Customer Charge</th>
<th>$75.00</th>
<th>75.00</th>
<th>$75.00</th>
<th>$75.00</th>
<th>Tariff-Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption Charge ($/Ccf)</td>
<td>$0.10146</td>
<td>$0.13551</td>
<td>$0.11115</td>
<td>$0.11115</td>
<td>Tariff-Rates</td>
<td></td>
</tr>
<tr>
<td>Total Ccf</td>
<td>913</td>
<td>152</td>
<td>513</td>
<td>183</td>
<td>1,762</td>
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</tr>
<tr>
<td>Billing Units:</td>
<td>808,032</td>
<td>48,249</td>
<td>463,326</td>
<td>312,214</td>
<td>1,629,621</td>
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</tr>
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</table>

**Present Revenue:**

<table>
<thead>
<tr>
<th>Line No.</th>
<th>Description</th>
<th>West Texas ICL</th>
<th>OCL</th>
<th>Amarillo ICL</th>
<th>Amarillo OCL</th>
<th>Lubbock ICL</th>
<th>Lubbock OCL</th>
<th>Total</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>80</td>
<td>Customer Charge</td>
<td>$88,508</td>
<td>11,405</td>
<td>$38,474</td>
<td>13,762</td>
<td>132,150</td>
<td>Ln. 70 times Ln. 79</td>
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1. The industrial class includes two tariff Transportation customers with equivalent base rates.

**Present Revenues Nongas**

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<th>Amarillo ICL</th>
<th>Amarillo OCL</th>
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**Data Sources:**

- West Texas 6_2013 Rates.xlsx
- WTX BDS TY Ending 6.30.2013.xsm
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<td>Total Proposed Base Revenue - Public Authority</td>
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proposed revenues nongas

$ 40,767,510  $ 5,765,284  $ 22,401,063  $ 921,222  $ 26,212,477  $ 1,362,207  $ 91,433,982

present revenues nongas

$ 38,200,832  $ 5,765,286  $ 19,551,058  $ 921,222  $ 17,462,624  $ 1,362,207  $ 83,263,227

$ 2,566,678  $ 2,850,005  $ -  $ 2,749,853  $ 0  $ 8,170,755
EXHIBIT C

Factors Required by Section 104.301 of the Gas Utility Regulatory Act

- The net invested capital amount of $402,630,670 shall be used as the baseline investment for use in calculating the first interim rate adjustment ("IRA") adjustment following the issuance of an Ordinance approving new rates pursuant to the Settlement Agreement referencing this Exhibit C.

- The overall depreciation rate shall be calculated based on the West Texas Division direct depreciation rates approved in GUD 10041 and the SSU Depreciation rates approved in GUD 10170.

- A federal income tax factor of 35%;

- Ad Valorem Tax of $4,133,461 divided by the net invested capital of $402,630,670 for an Ad Valorem tax rate of 1.03%.

- The average use per month per customer class in order to determine the current and proposed bill information in future IRA filings is as follows: Residential at 52.69 Ccf, Commercial at 239.72 Ccf, Industrial at 3,950.03 Ccf, and Public Authority at 809.72 Ccf; and

- The base rate revenue allocation factors to be used to calculate the cost of changes in investment to be recovered from the appropriate customer classes are as follows: Residential at 75.13%, Commercial at 18.39%, Industrial at 2.16%, and Public Authority at 4.32%.

- The overall return shall be the same as approved by the Railroad Commission of Texas in the Final Order for GUD 10170.
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<td>(b)</td>
<td>(c)</td>
<td>(d)</td>
<td>(e)</td>
<td>(f)</td>
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<td>$546,158</td>
<td>$388,281</td>
<td>$1,843,850</td>
<td>$2,732,959</td>
<td>$77,628</td>
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<td>100.00%</td>
<td>100.00%</td>
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Notes:
1. The annual amortization of the Pension and Other Postemployment Benefits Regulatory Asset cost has been included in O&M expense on WP_F-2.8. The annual amortization is based on a ten year amortization period.
2. The Company has included in rate base, as a regulatory asset, the Company's calculated Pension and Other Postemployment Benefits cost in accordance with TEX. UTILITIES CODE, SECTION 104.059.
3. The calculation of the asset on this workpaper represents the fiscal year 2013 Towers Watson report versus the cost level approved in GUD No. 10174 for the period October 1, 2012 to June 30, 2013.
4. Please see the Relied Files for the documentation supporting this calculation.

* Totals may vary due to rounding.
Exhibit E

Incorporated Cities Served by the WTX-Cities Rate Division

1. Abernathy  
2. Amherst  
3. Anton  
4. Big Spring  
5. Bovina  
6. Brownfield  
7. Buffalo Springs Lake  
8. Canyon  
9. Coahoma  
10. Crosbyton  
11. Dimmitt  
12. Earth  
13. Edmonson  
14. Floydada  
15. Forsan  
16. Friona  
17. Fritch  
18. Hale Center  
19. Happy  
20. Hart  
21. Hereford  
22. Idalou  
23. Kress  
24. Lake Tanglewood  
25. Lamesa  
26. Levelland  
27. Littlefield  
28. Lockney  
29. Lorenzo  
30. Los Ybanez  
31. Meadow
Exhibit E

Incorporated Cities Served by the WTX-Cities Rate Division

32. Midland
33. Muleshoe
34. Nazareth
35. New Deal
36. New Home
37. Odessa
38. O'Donnell
39. Olton
40. Opdyke
41. Palisades
42. Pampa
43. Panhandle
44. Petersburg
45. Plainview
46. Post
47. Quitaque
48. Ralls
49. Ransom Canyon
50. Ropesville
51. Sanford
52. Seagraves
53. Seminole
54. Shallowater
55. Silverton
56. Slaton
57. Smyer
58. Springlake
59. Stanton
60. Sudan
61. Tahoka
62. Timbercreek Canyon
63. Tulia
64. Turkey
65. Vega
66. Wellman
67. Wilson
68. Wolfforth
### Exhibit F

#### Baseload and Heat Sensitivity Factors for WNA billing

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* City references are to weather zones not rate divisions.
AGENDA ITEM NO. 6

ITEM/PROJECT: ORDINANCE NO. 1615 – AMENDMENT TO ZONING ORDINANCE NO. 690 (VARIANCE REQUEST)

MEETING DATE: MARCH 11, 2014

DESCRIPTION: Consider approving on first reading Ordinance No. 1615, an Ordinance of the City of Pampa amending Section 8, Area Regulations, Part 2 Lot Width and Part 6 Side Yard of Ordinance 690.

STAFF CONTACT: Donny Hooper
Jil Arias

FINANCIAL IMPACT: 

SOURCE OF FUNDS: 

START/COMPLETION SCHEDULE: 

RECOMMENDED ACTION: Ordinance No. 1615 attached.

BACKGROUND/ADDITIONAL INFORMATION: 

ORDINANCE NO. 1615

AN ORDINANCE OF THE CITY OF PAMPA, TEXAS, AMENDING SECTION 8, AREA REGULATIONS, PART 2 LOT WIDTH, AND PART 6 SIDE YARD, OF ORDINANCE NO. 690 AS AMENDED, (APPENDIX A TO THE CODE OF ORDINANCES, CITY OF PAMPA, TEXAS), SO THAT LOTS 2 THROUGH 10 IN BLOCK 1, LOTS 1 THROUGH 8 AND LOTS 10 THROUGH 17 IN BLOCK 2, AND LOTS 3 THROUGH 9 IN BLOCK 3 OF THE EDWIN PARK SUBDIVISION, AN ADDITION TO THE CITY OF PAMPA, GRAY COUNTY, TEXAS, SHALL BE SUBJECT TO A MINIMUM LOT WIDTH OF 43 FEET AND A MINIMUM REQUIRED SIDE YARD OF 10 FEET ON ONE SIDE ONLY, AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY OF PAMPA, TEXAS:

Section 1.

That Section 8, Area Regulations, Part 2 Lot Width, of Ordinance No. 690 passed and approved by the City of Pampa, Texas, the 8th day of April, 1969, as amended, (Appendix A to the Code of Ordinances, City of Pampa, Texas) is hereby amended so that the following described property shall be, and it is hereby, subject to a minimum lot width of forty-three (43) feet, to-wit:

All of Lots 2 through 10 in Block 1, Lots 1 through 8 and Lots 10 through 17 in Block 2, and Lots 3 through 9 in Block 3 of the Edwin Park Subdivision, an Addition to the City of Pampa, Gray County, Texas, according to the duly recorded map or plat thereof.

Section 2.

That Section 8, Area Regulations, Part 6 Side Yard, of Ordinance No. 690 passed and approved by the City of Pampa, Texas, the 8th day of April, 1969, as amended, (Appendix A to the Code of Ordinances, City of Pampa, Texas) is hereby amended so that the following described property shall be, and it is hereby, subject to a minimum required side yard of ten (10) feet on one side only, being the south side of the lot, and no minimum required side yard on the north side of the lot, to-wit:

All of Lots 2 through 10 in Block 1, Lots 1 through 8 and Lots 10 through 17 in Block 2, and Lots 3 through 9 in Block 3 of the Edwin Park Subdivision, an Addition to the City of Pampa, Gray County, Texas, according to the duly recorded map or plat thereof.

Section 3.

This ordinance shall be effective upon its final reading and passage as provided by law.
INTRODUCED, PASSED, and APPROVED on its first reading this 11th day of March, 2014.

INTRODUCED, PASSED and APPROVED on its second and final reading this _____ day of March, 2014.

CITY OF PAMPA, TEXAS

By: _______________________________

Brad Pingel, Mayor

ATTEST:

__________________________________
Karen L. Price, City Secretary

APPROVED AS TO FORM:

__________________________________
Leland W. Waters, City Attorney
AGENDA ITEM NO. 7

ITEM/PROJECT: EXECUTIVE SESSION

MEETING DATE: MARCH 11, 2014

DESCRIPTION: EXECUTIVE SESSION – The City Commission may convene into closed session in accordance with Texas Government Code, Subchapter D, Section 551.074: Personnel Matters to discuss: City Manager’s Evaluation.

STAFF CONTACT: RECONVENE: Into open session with or without action taken.