ORDINANCE NO. 2026 03 10

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF Palisades Village **, TEXAS, APPROVING A TARIFF AUTHORIZING AN ANNUAL RATE REVIEW MECHANISM ("RRM") AS A SUBSTITUTION FOR THE ANNUAL INTERIM RATE ADJUSTMENT PROCESS DEFINED BY SECTION 104.301 OF THE TEXAS UTILITIES CODE, AND AS NEGOTIATED BETWEEN ATMOS ENERGY CORP., WEST TEXAS DIVISION ("ATMOS WEST TEXAS" OR "COMPANY") AND THE STEERING COMMITTEE OF CITIES SERVED BY ATMOS WEST TEXAS; REQUIRING THE COMPANY TO REIMBURSE CITIES' REASONABLE RATEMAKING EXPENSES; ADOPTING A SAVINGS CLAUSE; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE OPEN MEETINGS ACT; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND LEGAL COUNSEL FOR THE STEERING COMMITTEE.**

WHEREAS, the City of Village of Palisades, 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 and similarly-situated West Texas municipalities created the Steering Committee of Cities Served by Atmos West Texas to efficiently address all rate and *service matters associated with delivery of natural gas; and*

WHEREAS, pursuant to the terms of a November 2007 agreement between the Steering Committee and Atmos West Texas that settled the Company's interim rate filing under Section 104.301 of the Texas Utilities Code (a "GRIP" rate case), the Steering Committee and the Company collaboratively developed a Rate Review Mechanism ("RRM") Tariff, ultimately authorized by the City in 2008, that allows for an expedited rate review process as a substitute for the GRIP process; and

WHEREAS, the City has kept some form of a RRM Tariff in place since 2008; and

WHEREAS, the most recent version of the RRM Tariff adopted in 2018 is now expired; and

WHEREAS, the Steering Committee recently approved a settlement with the Company on the attached RRM Tariff that contains no substantive changes, other than updating the tariff to reflect the most recent rate case and resulting Final Order found on the Railroad Commission filing system in Docket OS-24-00018879; and

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WHEREAS, the RRM Tariff contemplates reimbursement of Cities' reasonable expenses associated with RRM Tariff applications; and

WHEREAS, the Steering Committee recommends that all Steering Committee member cities adopt this ordinance and the attached RRM Tariff; and

WHEREAS, the attached RRM Tariff (Attachment 1) is just, reasonable and in the public interest,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF Village of Palisades, TEXAS:

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

Section 2. That the attached RRM Tariff re-establishing a form of Rate Review Mechanism is just and reasonable and in the public interest, and is hereby adopted.

Section 3. That Atmos West Texas shall reimburse the Cities' reasonable expenses associated with adoption of this Ordinance and the attached RRM Tariff and in processing future RRM Tariff applications filed pursuant to the attached tariff.

Section 4. That to the extent any resolution or ordinance previously adopted by the City is inconsistent with this Ordinance, it is hereby repealed.

Section 5. 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 6. 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 this Ordinance shall be interpreted as if the offending section or clause never existed.

Section 7. That this Ordinance shall become effective from and after its passage.

Section 8. That a copy of this Ordinance shall be sent to Atmos West Texas, care of Phillip Littlejohn, Vice President of Rates and Regulatory Affairs, West Texas Division, 6606 66th Street, Lubbock, Texas 89424 (Philip.littlejohn@atmosenergy.com), and to Thomas Brocato at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701 (tbrocato@lglawfirm.com).

PASSED AND APPROVED this 10 day of MARCH, 2026.

Mayor

ATTEST:

City Secretary

APPROVED AS TO FORM:

City Attorney