

ORDINANCE NO. 23

AN ORDINANCE OF THE City OF Post Oak Bend, TEXAS, DENYING ATMOS ENERGY CORP., MID-TEX DIVISION'S STATEMENT OF INTENT TO INCREASE THE GAS UTILITY RATES IN THIS MUNICIPALITY SO THAT THE COMPANY MAY PURSUE A SYSTEM-WIDE RATE CASE WITH THE RAILROAD COMMISSION OF TEXAS; PROVIDING AN EFFECTIVE DATE; FINDING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; AND PROVIDING FOR NOTICE OF THIS ORDINANCE TO ATMOS ENERGY CORP., MID-TEX DIVISION.

WHEREAS, Atmos Energy Corp., Mid-Tex Division (the "Company") operates the distribution system serving the City, and;

WHEREAS, on or about May 31, 2006, the Company filed with the City of Post Oak Bend, Texas (the "City"), a Statement of Intent to increase gas utility rates in all municipalities within the Company's statewide gas utility system effective July 5, 2006; and

WHEREAS, the City has original jurisdiction to evaluate the Company's request as it pertains to customers of the Company served from the distribution facilities located within the City, pursuant to Texas Utilities Code §§ 102.001(b) and 103.001;

WHEREAS, the Texas Utilities Code § 103.022 provides that costs incurred by the City in ratemaking activities are to be reimbursed by the regulated utility;

NOW, THEREFORE, BE IT ORDAINED BY THE City COUNCIL OF Post Oak Bend, TEXAS:

SECTION 1. That the Company's Statement of Intent to increase gas utility rates within the City, as part of the Company's statewide gas utility system, be denied in all respects.

SECTION 2. That costs incurred by the City in reviewing the Company's application be promptly reimbursed by the Company.

SECTION 3. That this Ordinance shall become effective immediately from and after its passage, as the law and charter in such cases provide.

SECTION 4. That it is hereby officially found and determined that the meeting at which this Ordinance is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.

SECTION 5. That a copy of this Ordinance, constituting final action on the Company's request for an increase in the gas utility rates, shall be forwarded to the Company's designated representative within 10 days at the following address: Richard

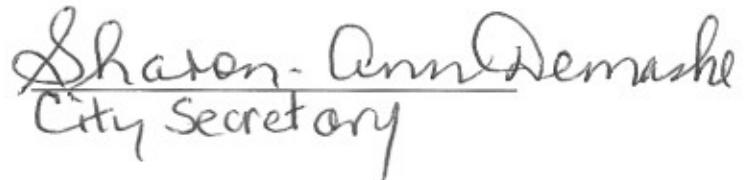
Reis, Atmos Energy Corp., Mid-Tex Division, 5420 LBJ Freeway, Suite 1800, Dallas, Texas 75240.

DULY PASSED and approved by the city Council of Post Oak Bend, Texas, on this the 6th day of June, 2006

APPROVED:


MAYOR

ATTEST:


City Secretary

APPROVED AS TO FORM:

CITY ATTORNEY