

RESOLUTION NO. 2026-01

A RESOLUTION BY THE CITY OF SANGER TEXAS, ("CITY") RESPONDING TO THE APPLICATION OF ATMOS ENERGY CORPORATION – MIDTEX DIVISION, TO INCREASE RATES UNDER THE GAS RELIABILITY INFRASTRUCTURE PROGRAM; SUSPENDING THE EFFECTIVE DATE OF THIS RATE APPLICATION FOR FORTY-FIVE DAYS; AUTHORIZING THE CITY TO CONTINUE TO PARTICIPATE IN A COALITION OF CITIES KNOWN AS THE “ATMOS TEXAS MUNICIPALITIES;” DETERMINING THAT THE MEETING AT WHICH THE RESOLUTION WAS ADOPTED COMPLIED WITH THE TEXAS OPEN MEETINGS ACT; MAKING SUCH OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, on or about February 20, 2026, Atmos Energy Corporation – MidTex Division (“Atmos Energy”) filed for an increase in gas utility rates under the Gas Reliability Infrastructure Program (“GRIP”), which if approved, results in an increase in the monthly customer charges as follows:

Rate Schedule	Current Customer Charge	Proposed 2026 Interim Rate Adjustment	Adjusted Charge	Increase Per Bill
Rate R – Residential Sales	\$25.03 per customer per month	\$10.59 per customer per month	\$35.62 per customer per month	\$10.59
Rate C – Commercial Sales	\$140.01 per customer per month	\$38.65 per customer per month	\$178.66 per customer per month	\$38.65
Rate I (Industrial) & Rate T (Transportation)	\$2,100.00 per meter per month	\$658.18 per meter per month	\$2,758.18 per meter per month	\$658.18

WHEREAS, Atmos Energy’s application, if approved by the Railroad Commission, will result in a systemwide increase in Atmos Energy’s revenue of about \$286.9 million, of which ATM’s portion is about \$28.2 million; and

WHEREAS, the City has a special responsibility to exercise due diligence with regard to rate increases of monopoly utilities who operate within its boundaries; and

WHEREAS, the application to increase rates by Atmos Energy is complex; and

WHEREAS, the effective date proposed by Atmos Energy is April 21, 2026 but a suspension by the City will mean that the rate increase cannot go into effect prior to June 5, 2026; and

WHEREAS, it is necessary to suspend the effective date for the increase in rates for forty-five days, so that the City can assure itself that the data and calculations in Atmos Energy's rate application are correctly done and are in conformity with section 104.301 of the Gas Utility Regulatory Act.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANGER, TEXAS THAT:

Section 1. That the statements and findings set out in the preamble to this resolution are hereby in all things approved and adopted.

Section 2. The City suspends the requested effective date by Atmos Energy for forty-five days pursuant to the authority granted the City under Section 104.301 of the Texas Utilities Code. The City finds that additional time is needed in order to review the data and calculations that provide the basis for the rate increase application.

Section 3. The City shall continue to act jointly with other cities that are part of a coalition of cities known as the Atmos Texas Municipalities ("ATM").

Section 4. The City authorizes the law firm of Herrera Law & Associates, PLLC, to act on its behalf in connection with Atmos Energy's application to increase rates.

Section 5. To the extent Atmos Energy's application to increase rates under section 104.301 of the Gas Utility Regulatory Act ("GURA") is considered a ratemaking proceeding Atmos Energy is ordered to reimburse the City's reasonable rate case expenses incurred in response to Atmos Energy's rate increase application within 30 days of receipt of invoices for such expenses to the extent allowed by law, or pursuant to agreement between Atmos and ATM.

Section 6. A copy of this resolution shall be sent to Mr. Christopher A. Felan, Vice President, Rates & Regulatory Affairs, Atmos Energy Corporation, 5420 LBJ Freeway, Suite

1800, Dallas, Texas 75240; and to Mr. Alfred R. Herrera, Herrera Law & Associates, PLLC, P.O. Box 302799, Austin, Texas 78703, or via email to AHerrera@HerreraLawPLLC.com.

Section 7. The meeting at which this resolution was approved was in all things conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 8. This resolution shall be effective immediately upon passage.

PASSED AND APPROVED this 13th day of April 2026.

Thomas E. Muir, Mayor

ATTEST:

Kelly Edwards, City Secretary