



Kathleen R. Ocanas
Vice President
Rates & Regulatory Affairs

August 18, 2026

To the Honorable Mayor and City Manager

Re: Docket Compliance, OS-24-00019196, FASB ASC 740-10 (Fin48) Refund

Dear Mayor and City Manager:

Atmos Energy Corporation ("the Company") has updated the Rider SUR - FASB ASC 740-10 (Fin48) Refund rate based on the net amount that remains to be refunded to customers. This updated rate will commence on September 1, 2026, effective for twelve (12) months. Enclosed in this correspondence is the Company's Rate Schedule SUR – Surcharges tariff in both redline and clean form reflecting the updated FIN 48 refund rate.

In accordance with the tariff, no action on the part of the Regulatory Authority is required to give effect to the amount to be refunded to customers.

I appreciate your attention to this matter and please contact me if any additional information is required.

Respectfully submitted,

A handwritten signature in blue ink that reads "Kathleen Ocanas".

Kathleen R. Ocanas

cc (with enclosures):

Mr. Alfred A. Herrera
Ms. Ann Coffin, Baker Botts LLP

[illegible]

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	SUR – SURCHARGES	
APPLICABLE TO:	ATMOS TEXAS MUNICIPALITIES COALITION (“ATM”) AREAS OF THE MID-TEX DIVISION	
EFFECTIVE DATE:	Services Rendered on or after 09/01/2026	PAGE: 44

Application

This Rider is applicable to customer classes within the incorporated areas of cities that are part of the Atmos Municipalities Coalition (“ATM”) as authorized by the state or any governmental entity, a municipality, or a regulatory authority pursuant to any statute, ordinance, order, rule, contract, or agreement. Cities in the ATM are identified in Exhibit A of the Company’s Rate R – Residential Sales, Rate C – Commercial Sales, Rate I – Industrial Sales and Rate T – Transportation Rate Schedules. This Rider is subject to all applicable laws and orders, and the Company’s rules and regulations on file with the regulatory authority.

Monthly Calculation

Surcharges will be calculated in accordance with the applicable statute, ordinance, order, rule, contract, or agreement.

Docket No. OS-24-00019196 – Securitization Interest Expense Recovery

The following surcharge as authorized in Docket No. OS-24-00019196 shall be recovered from the Rate Schedules R – Residential, C – Commercial, and I – Industrial by adding the surcharge rate to each customer’s monthly consumption charges as noted in the table below each month for approximately a 12-month period (commencing August 1, 2025) until all approved amounts are collected.

Rate Schedules	Basis	Rate
Rate R – Residential Sales	Ccf	\$ 0.01843
Rate C – Commercial Sales	Ccf	\$ 0.01843
Rate I – Industrial Sales	MMBtu	\$ 0.1800

Unprotected Excess Deferred Income Tax Amortization

The reconciliation and completion of the refund of the unprotected portion of the Excess Deferred Income Taxes (“EDIT”) was approved in Docket No. OS-24-00019196 as follows. The balance of the Unprotected portion of the EDIT was approved by ATM to be applied monthly in each of thirty-six (36) months commencing with Mid-Tex Division’s bills rendered on or after September 1, 2021. The Rider SUR for EDIT for ATM was withdrawn for bills rendered on or after July 31, 2024. The over and under recovery amount for each customer class will be collected or (refunded) in one (1) month period to reconcile and complete the refund. The surcharge rate by customer class for a one (1) month period (commencing August 1, 2025) is shown in the table below:

Rate Schedules	ATM Incorporated Areas
R – Residential Sales	\$ 1.35
C – Commercial Sales	\$ (16.15)
I – Industrial Sales	\$ (1,255.20)
T - Transportation	\$ (1,255.20)

Company shall file an annual report on or before January 31st commencing in 2026. The report shall detail the monthly refunds by customer class and provide details of the of the refund calculation. Reports for the Commission should be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address:

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Compliance Filing
Director of Oversight and Safety Division
Gas Services Dept.
Railroad Commission of Texas
P. O. Box 12967
Austin, TX 78711-2967

FASB ASC 740-10 (Fin48) Refund

Applicable to Customers taking service under Rate Schedules R – Residential, C – Commercial, I – Industrial and T – Transportation.

To ensure that gas utility customers receive the benefit associated with the changes in the Company's Uncertain Tax Positions (“UTPs”) arising from recognition of Texas Margin Tax returns.

The decrease shall be calculated as follows:

Beginning with implementation of rates from Docket No. OS-24-00019196, and annually thereafter, the portion of UTP liabilities identified in Schedule FIN48-1.1 for the prior fiscal year shall be allocated based on the final class allocations of Docket No. OS-24-00019196, divided by the annual bill count to derive rates to be refunded through Rider SUR in the subsequent fiscal year. Each year's calculation will include a true-up (+ or -) due to account for over/under collections. Amounts identified in Schedule FIN48-1 shall be adjusted to reflect any audit adjustments received from the Texas Comptroller of Public Accounts.

No action on the part of the Regulatory Authority is required to give effect to the amount to be refunded to customers. However, any amount refunded to customers shall be fully subject to review for reasonableness and accuracy in the gas utility's next statement of intent proceeding with the Railroad Commission of Texas, and if applicable, the gas utility shall be required to reconcile any discrepancies.

The following refund as authorized in Docket No. OS-24-00019196 shall be refunded to each Rate Schedules R – Residential, C – Commercial, I – Industrial and T – Transportation customer's monthly bill in each month for a 12-month period (commencing September 1, 2026). The refund amount by month by Rate Schedule is shown in the table below:

Rate Schedules	Rate
Rate R – Residential Sales	\$ 0.0 (0.13)
Rate C – Commercial Sales	\$ 0.0 (0.65)
Rate I – Industrial Sales	\$ 0.0 (11.58)
Rate T – Transportation	\$ 0.0 (11.58)

Company shall file an annual compliance filing on or before September 1st commencing in 2025. The report shall detail the monthly refunds by customer class and provide details of the of the surcharge or refund calculation. Reports for the Commission should be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address:

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Docket No. OS-24-00019819 – Rate Case Expense Recovery

The Rate Case Expense Surcharge (“RCE”) rate as authorized in Docket No. OS-24-00019819. This monthly rate shall apply to Rate Schedules R - Residential, C - Commercial, I - Industrial and T - Transportation rate classes of Atmos Energy Corporation’s Mid-Tex Division ATM customers in the amounts shown below. The fixed-price surcharge rate will be in effect for approximately 36 months(commencing August 1, 2025) until all approved and expended rate case expenses are recovered from the applicable customer classes as documented in the Final Order in Docket No. OS-24-00019196.

Monthly Surcharge:
Surcharges will be the fixed-price rate shown in the table below:

Rate Schedules	ATM Incorporated Areas
R – Residential Sales	\$ 0.09
C – Commercial Sales	\$ 0.46
I – Industrial Sales	\$ 7.13
T - Transportation	\$ 7.13

The Company shall file an annual rate case expense reconciliation report on or before June 1st commencing in 2026, until and including the calendar year end in which the rate case expenses are fully recovered. The Company shall file the report with the Commission addressed to the Director of Oversight and Safety Division and referencing Docket No. OS-24-00019819. The report shall detail the monthly collections for RCE surcharge by customer class and show the outstanding balance. Reports for the Commission should be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address:

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