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PUBLIC SERVICE
COMMISSION

February 27, 2012

Mr. Jeff DeRouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

RE: Request to modify existing and to propose new tariff pages

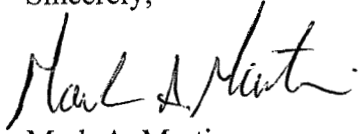
Dear Mr. DeRouen:

Atmos Energy Corporation (Company) herewith submits an original and eleven (11) copies of an application and proposed tariff pages related to economic development. The Company is proposing three new riders: an Economic Development Rider (EDR), a Margin Loss Rider (MLR) and a System Development Rider (SDR). Below is a brief description of each proposed tariff:

- Fifth Revised Sheet No. 1 – a revised index
- Forty-Ninth Revised Sheet No. 4 – incorporates reference to the EDR, MLR and SDR in the second footnote.
- Third Revised Sheet No. 8 – incorporates reference to the EDR, MLR and SDR into subsections h-j, respectively, of Section 3.
- Third Revised Sheet No. 13 – incorporates reference to the EDR, MLR and SDR into subsections e-g, respectively.
- Third Revised Sheet No. 45, Fourth Revised Sheet No. 46 and Fourth Revised Sheet No. 47 – contain the Company's proposed EDR.
- Fifth Revised Sheet No. 48 – contains the Company's proposed MLR.
- Third Revised Sheet No. 49 and Third Revised Sheet No. 50 – contain the Company's proposed SDR.

The Company would greatly appreciate the Commission's expedited review of the proposed tariff pages. Please contact myself at 270.685.8024 if the Commission or Staff has any questions regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark A. Martin". The signature is fluid and cursive, with a prominent initial "M" and a trailing flourish.

Mark A. Martin
Vice President, Rates & Regulatory Affairs

Enclosures

cc: Dennis Howard
Mr. Mark R. Hutchinson
Mr. Bill Greer
Mr. Victor Edwards

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

**APPLICATION OF ATMOS ENERGY CORPORATION)
FOR AN ORDER APPROVING ECONOMIC) CASE
DEVELOPMENT RIDERS) NO. _____**

APPLICATION

1. Atmos Energy Corporation, "Applicant" or "Atmos", files this Application for an order approving the Economic Development Riders attached hereto as EXHIBIT "A". The purpose of the Economic Development Riders is set forth in the attached tariffs.

2. The Applicant, a Virginia and Texas corporation, is duly qualified under the laws of Kentucky to carry on its business in the Commonwealth of Kentucky. Applicant operates a public utility in the business of purchasing, transmitting and distributing natural gas to residential, commercial and industrial users in western and south central Kentucky.

3. The Applicant's principal operating office and place of business within the Commonwealth of Kentucky is located at 3275 Highland Point Drive, Owensboro, Kentucky 42303. The post office address of Applicant is P.O. Box 650205, Dallas, Texas 75265-0205.

4. A certified copy of Applicant's restated Articles of Incorporation, as amended, together with all amendments thereto, is on file in the records of the Commission and the same are incorporated herein by reference. See Case No. 2008-00222.

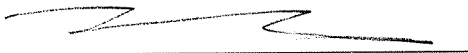
5. Correspondence and communications with respect to this Application should be directed to Mark A. Martin, Atmos Energy Corporation, 3275 Highland Pointe Drive, Mark R. Hutchinson, Wilson, Hutchinson, Poteat & Littlepage, 611 Frederica Street, Owensboro, Kentucky

42301 and Douglas Walther, Atmos Energy Corporation, P.O. Box 650205, Dallas, Texas 75265-0205.

WHEREFORE, Atmos respectfully requests that the Commission enter an order approving the Economic Development Riders attached as Exhibit "A" to this Application, this 27TH day of February, 2012.

Mark R. Hutchinson
Wilson, Hutchinson, Poteat & Littlepage
611 Frederica Street
Owensboro, Kentucky 42301

Douglas Walther
ATMOS ENERGY CORPORATION
PO Box 650250
Dallas, Texas 75265

By: 
Mark R. Hutchinson


VERIFICATION

I, Mark A. Martin, being duly sworn under oath state that I am Vice President of Rates and Regulatory Affairs for Atmos Energy Corporation, Kentucky/Midstates Division, and that the statements contained in the foregoing Application are true as I verily believe.


Mark A. Martin

CERTIFICATE OF SERVICE

I hereby certify that on the 27th day of February, 2012, the original of this Application, together with eleven (11) copies, were filed with the Kentucky Public Service Commission, 211 Sower Blvd, P.O. Box 615, Frankfort, Kentucky 40206.



Mark R. Hutchinson

Exhibit

A

FOR ENTIRE SERVICE AREA

P.S.C. NO. 1

Fifth Revised SHEET No. 1

Canceling

Fourth Revised SHEET No. 1

ATMOS ENERGY CORPORATION

Rate Book Index

<u>General Information</u>	<u>Sheet No.</u>
Rate Book Index	1 to 2
Towns and Communities	3
System Map	-
Current Rate Summary	4
Current Gas Cost Adjustment (GCA)	5
Current General Transportation Rates	6
Computer Billing Rate Codes	7
<u>Sales Service</u>	
General Firm Sales Service (G-1)	8 to 10
Interruptible Sales Service (G-2)	11 to 16
Reserved for Future Use	17 to 21
Weather Normalization Adjustment (WNA)	22
Gas Cost Adjustment (GCA)	23 to 25
Experimental Performance Based Rate Mechanism (PBR)	26 to 37
Reserved for Future Use	38
Demand Side Management (DSM)	39 to 41
Research & Development Rider (R & D)	42
Pipe Replacement Program Rider (PRP)	43 to 44
Economic Development Rider (EDR)	45 to 47
Margin Loss Rider (MLR)	48
System Development Rider (SDR)	49 to 50
<u>Transportation Service</u>	
Transportation Service (T-3)	51 to 58
Transportation Service (T-4)	59 to 65
Alternate Receipt Point Service (T-5)	66 to 67
Transportation Pooling Service (T-6)	67.1 to 67.2
<u>Miscellaneous Special Charges</u>	68
<u>Rules and Regulations</u>	
1. Commission's Rules and Regulations	70
2. Company's Rules and Regulations	70
3. Application for Service	70
4. Billings	71 to 73
5. Deposits	73 to 74
6. Special Charges	74 to 76
7. Customer Complaints to the Company	76
8. Bill Adjustments	76 to 78

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ISSUED: February 27, 2012

EFFECTIVE: May 1, 2012

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354).

ISSUED BY: /s/ Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Forty-Ninth SHEET No. 4
Canceling
Forty-Eighth SHEET No. 4

ATMOS ENERGY CORPORATION

Current Rate Summary					
Case No. 2011-00520					
<u>Firm Service</u>					
Base Charge:					
Residential (G-1)	-		\$ 12.50	per meter per month	
Non-Residential (G-1)	-		30.00	per meter per month	
Transportation (T-4)	-		300.00	per delivery point per month	
Transportation Administration Fee	-		50.00	per customer per meter	
<u>Rate per Mcf²</u>		<u>Sales (G-1)</u>		<u>Transportation (T-4)</u>	
First	300 ¹	Mcf	@ 6.4995	per Mcf	@ 1.1000
Next	14,700 ¹	Mcf	@ 6.1695	per Mcf	@ 0.7700
Over	15,000	Mcf	@ 5.8995	per Mcf	@ 0.5000
					(-, -)
					(-, -)
					(-, -)
<u>Interruptible Service</u>					
Base Charge					
	-		\$300.00	per delivery point per month	
Transportation Administration Fee	-		50.00	per customer per meter	
<u>Rate per Mcf²</u>		<u>Sales (G-2)</u>		<u>Transportation (T-3)</u>	
First	15,000 ¹	Mcf	@ 5.0123	per Mcf	@ 0.6300
Over	15,000	Mcf	@ 4.7923	per Mcf	@ 0.4100
					(-, -)
					(-, -)
1 All gas consumed by the customer (sales and transportation; firm, and interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.					
2 DSM, PRP, R&D, EDR, MLR, and SDR Riders may also apply, where applicable.					

ISSUED: February 27, 2012

EFFECTIVE: May 1, 2012

(Issued by Authority of an Order of the Public Service Commission in Case No. 2011-00520).

ISSUED BY: /s/ Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

ATMOS ENERGY CORPORATION

General Firm Sales Service													
Rate G-1													
1. <u>Applicable</u>	Entire Service Area of the Company. (See list of towns – Sheet No. 3)												
2. <u>Availability of Service</u>	Available for any use for individually metered service, other than auxiliary or standby service (except for hospitals or other uses of natural gas in facilities requiring emergency power, however, the rated input to such emergency power generators is not to exceed the rated input of all other gas burning equipment otherwise connected multiplied by a factor equal to 0.15) at locations where suitable service is available from the existing distribution system and an adequate supply of gas to reader service is assured by the supplier(s) of natural gas to the Company.												
3. <u>Net Monthly Rate</u>	<ul style="list-style-type: none"> a) Base Charge <ul style="list-style-type: none"> \$12.50 per meter for residential service \$30.00 per meter for non-residential service b) Distribution Charge <table style="margin-left: 20px; border: none;"> <tr> <td style="padding-right: 10px;">First¹</td> <td style="padding-right: 10px;">300 Mcf</td> <td style="padding-right: 10px;">@</td> <td>\$1.1000 per 1,000 cubic feet</td> </tr> <tr> <td>Next¹</td> <td>14,700 Mcf</td> <td>@</td> <td>0.7700 per 1,000 cubic feet</td> </tr> <tr> <td>Over</td> <td>15,000 Mcf</td> <td>@</td> <td>0.5000 per 1,000 cubic feet</td> </tr> </table> c) Weather Normalization Adjustment, referenced on Sheet No. 22. d) Gas Cost Adjustment (GCA) Rider, referenced on Sheet No. 23. e) Demand Side Management Cost Recovery Mechanism, referenced on Sheet No. 39. f) Research & Development Rider (R&D), referenced on Sheet No. 42. g) Pipe Replacement Program (PRP) Rider, referenced on Sheet No. 43. h) Economic Development Rider (EDR), referenced on Sheet No. 45. i) Margin Loss Rider (MLR), referenced on Sheet No. 48. j) System Development Rider (SDR), referenced on Sheet No. 49. 	First ¹	300 Mcf	@	\$1.1000 per 1,000 cubic feet	Next ¹	14,700 Mcf	@	0.7700 per 1,000 cubic feet	Over	15,000 Mcf	@	0.5000 per 1,000 cubic feet
First ¹	300 Mcf	@	\$1.1000 per 1,000 cubic feet										
Next ¹	14,700 Mcf	@	0.7700 per 1,000 cubic feet										
Over	15,000 Mcf	@	0.5000 per 1,000 cubic feet										
¹	All gas consumed by the customer (Sales and Transportation; firm and interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.												

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EFFECTIVE: May 1, 2012

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354).

ISSUED BY: /s/ Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

FOR ENTIRE SERVICE AREA

PSC KY NO. 1

THIRD REVISED SHEET NO. 13

CANCELLING PSC KY NO.

SECOND REVISED SHEET NO. 13

ATMOS ENERGY CORPORATION
(NAME OF UTILITY)

Interruptible Sales Service

Rate G-2

Interruptible Service

Gas used per month in excess of the High Priority Service shall be billed as follows:

First 15,000 Mcf \$0.6300 per 1,000 cubic feet
Over 15,000 Mcf 0.4100 per 1,000 cubic feet

- b) Gas Cost Adjustment (GCA) Rider, referenced on Sheet No. 23.
- c) Research & Development Rider (R&D), referenced on Sheet No. 42.
- d) Pipe Replacement Program (PRP) Rider, referenced on Sheet No. 43.
- e) Economic Development Rider (EDR), reference on Sheet No. 45. (T)
- f) Margin Loss Rider (MLR), referenced on Sheet No. 48. (T)
- g) System Development Rider (SDR), referenced on Sheet No. 49. (T)

¹ All gas consumed by the customer (Sales and Transportation; firm and interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

DATE OF ISSUE February 27, 2012
MONTH / DATE / YEAR

DATE EFFECTIVE May 1, 2012
MONTH / DATE / YEAR

ISSUED BY /s/ Mark A. Martin
SIGNATURE OF OFFICER

TITLE Vice President – Rates & Regulatory Affairs

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2009-00354 DATED May 28, 2010

FOR ENTIRE SERVICE AREA

PSC KY NO. 1

THIRD REVISED SHEET NO. 45

CANCELLING PSC KY NO.

SECOND REVISED SHEET NO. 45

ATMOS ENERGY CORPORATION
(NAME OF UTILITY)

Economic Development Rider	
EDR	
<p>Applicable: This Rider may apply to any customer with an expected demand of at least 9,000 Mcf per year. Existing customers served under another rate schedule to be eligible for service under this rate schedule must contract for sufficient natural gas demand to produce an increase in consumption of 4,500 Mcf per year.</p>	(T)
<p>Purpose: This Rider is intended to allow the Company to offer incentive or discount type rates designed to enhance the Company's system utilization while encouraging industrial development and job growth within the Company's service areas. Under the terms of this Rider, qualifying customers are required to enter into a Special Contract with the Company. The Special Contract shall be subject to approval by the Kentucky Public Service Commission (Commission). This Rider is available for load associated with initial permanent service to new establishments, expansion of existing establishments or new customers in existing establishments. This Rider may also be available for existing customers that are experiencing financial hardship, if certain conditions can be met.</p>	(T)
<p>Term: Any Special Contract shall extend for a period twice the length of the discount period. The discount period shall not extend beyond four (4) years.</p>	(T)
<p>Gas Cost Adjustment For G-1 and G-2 customers, bills for service are subject to the cost of purchased gas in accordance with the Gas Cost Adjustment (GCA) Rider approved by the Kentucky Public Service Commission.</p>	(T)

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BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2009-00354 DATED May 28, 2010

ATMOS ENERGY CORPORATION
(NAME OF UTILITY)

Economic Development Rider												
EDR												
Discount Terms:												
<table border="1"> <thead> <tr> <th>Contract Year</th> <th>Tariff Margin Discounted by:</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>25%</td> </tr> <tr> <td>2</td> <td>25%</td> </tr> <tr> <td>3</td> <td>25%</td> </tr> <tr> <td>4</td> <td>25%</td> </tr> <tr> <td>After 4th Year</td> <td>0%</td> </tr> </tbody> </table>	Contract Year	Tariff Margin Discounted by:	1	25%	2	25%	3	25%	4	25%	After 4 th Year	0%
Contract Year	Tariff Margin Discounted by:											
1	25%											
2	25%											
3	25%											
4	25%											
After 4 th Year	0%											
Special Terms and Conditions:												
<ol style="list-style-type: none"> 1. The Company may discount or waive gas main extension costs. 2. The Special Contract shall include, but not be limited to, the applicable rate discount and other discount provisions, the number of jobs and capital investment to be created, customer-specific fixed costs associated with serving the customer, minimum bill, a current marginal cost-of-service study, provision for the recovery of EDR customer-specific fixed costs, estimated load, estimated load factor, and contract length. 3. The Special Contract shall contain additional load that would be subject to suitable service being available from existing facilities. 4. The Company will file annual reports that detail revenues received from EDR customers and the marginal costs associated with serving those individual customers as well as replicating Appendix A to the Commission's Order in Administrative Case No. 327. 5. A Special Contract designed to retain load of an existing customer shall be accompanied by an affidavit of the customer stating that, without the rate discount, operations will cease or be severely restricted. In addition, the utility must demonstrate the financial hardship experienced by the customer. 												

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DATE OF ISSUE February 27, 2012
MONTH / DATE / YEAR

DATE EFFECTIVE May 1, 2012
MONTH / DATE / YEAR

ISSUED BY /s/ Mark A. Martin
SIGNATURE OF OFFICER

TITLE Vice President – Rates & Regulatory Affairs

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2009-00354 DATED May 28, 2010

FOR ENTIRE SERVICE AREA

PSC KY NO. 1

FOURTH REVISED SHEET NO. 47

CANCELLING PSC KY NO.

THIRD REVISED SHEET NO. 47

ATMOS ENERGY CORPORATION
(NAME OF UTILITY)

Economic Development Rider	
EDR	
Special Terms and Conditions:	(T)
<p>6. For new industrial customers, an EDR should apply on to load which exceeds a minimum base level. For existing industrial customers, an EDR shall apply only to new load which exceeds an incremental usage level above a normalized base load.</p> <p>7. The major objectives of the EDR are job creation and capital investment. However, job creation and capital investment requirements shall not be imposed on EDR customers.</p>	(T)

DATE OF ISSUE February 27, 2012
MONTH / DATE / YEAR

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MONTH / DATE / YEAR

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SIGNATURE OF OFFICER

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BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2009-00354 DATED May 28, 2010

ATMOS ENERGY CORPORATION
(NAME OF UTILITY)

Margin Loss Rider		(T)
MLR		
Applicable: Applicable to tariff sales service under the Company's Rate Schedules G-1, and G-2.		(T)
Purpose: This Rider is intended to allow the Company to recover any lost margin related to (1) the Economic Development Rider, (2) discounts pursuant to the Alternative Fuel Responsive Flex Provisions or (3) negotiated rates with bypass candidates. This Rider is intended to enhance the Company's system utilization while encouraging industrial development and job growth with in the Company's service areas. Margin recovery associated with discounted service that is already reflected in the Company's base rates is prohibited from this Rider.		(T)
Calculation of Margin Loss Rider: The calculation of lost margin will be the difference between existing tariff rates and the negotiated special contract rates. The difference will be collected over estimated sales volumes as used in the Correction Factor of the Gas Cost Adjustment Rider.		(T)
MLR Unit Charge:		
Current	\$0.00 per Mcf	(N)
Balancing Adjustment	\$0.00 per Mcf	(N)
Total	\$0.00 per Mcf	(N)
Balancing Adjustment: The Balancing Adjustment shall be calculated on an annual basis and be used to reconcile the difference between the amount of revenues actually billed through this Rider and the revenues which should have been billed.		(T)
The balance adjustment amounts calculated will include interest to be calculated at a rate equal to the average of "3-month Commercial Paper Rate" for the immediately preceding twelve-month period.		

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SIGNATURE OF OFFICER

TITLE Vice President – Rates & Regulatory Affairs

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2009-00354 DATED May 28, 2010

ATMOS ENERGY CORPORATION
(NAME OF UTILITY)

System Development Rider
SDR

Applicable:

Applicable to tariff sales service under the Company's Rate Schedules G-1, and G-2.

Purpose:

This Rider is intended to allow the Company to recover any specific investment related to economic development initiatives for overall system improvement and/or reliability and that cannot be directly assigned to a customer or a group of customers. This Rider is intended to encourage industrial development, infrastructure investment and job growth within the Company's service areas.

Calculation of System Development Rider Revenue Requirement

The SDR revenue requirement includes the following:

1. SDR-related Plant In-Service not included in base gas rates minus the associated SDR-related accumulated depreciation and accumulated deferred income taxes;
2. Retirement and removal of plant related to SDR construction;
3. The rate of return on the net rate base will be the overall rate of return on capital authorized for the Company's Pipe Replacement Program Rider.
4. Depreciation expense on the SDR related Plant In-Service less retirements and removals.
5. Adjustment for ad valorem taxes.

System Development Rates:

All customers receiving service under tariff Rate Schedules G-1 and G-2 shall be assessed an adjustment to their applicable rate schedule that will enable the Company to recover any capital investment related to economic development initiatives. The allocation to G-1 residential, G-1 non-residential and G-2 will be in proportion to their relative base revenue share approved in the most recently approved general rate case.

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SIGNATURE OF OFFICER

TITLE Vice President – Rates & Regulatory Affairs

FOR ENTIRE SERVICE AREA

PSC KY NO. 1

SECOND REVISED SHEET NO. 50

CANCELLING PSC KY NO.

FIRST REVISED SHEET NO. 50

ATMOS ENERGY CORPORATION
(NAME OF UTILITY)

System Development Rider			(T)
SDR			
<p>The SDR will be filed annually on or around August 1st of each year. The filing will reflect any infrastructure investment for the upcoming fiscal year ending each September as well as a balancing adjustment for the preceding fiscal year. Such adjustment to the Rider will become effective with meter readings on and after the first billing cycle of October.</p>			(T)
<p>System Development Rider Rates The charges for the respective gas service schedules for the revenue month beginning October 1, 2012 per billing period are:</p>			(T)
	<p>Monthly Customer <u>Charge</u></p>	<p>Distribution <u>Charge per Mcf</u></p>	
Rate G-1 (Residential)	\$ 0.00	\$0.00	(N)
Rate G-1 (Non-Residential)	\$ 0.00	\$0.00	(N)
Rate G-2	\$ 0.00	\$0.00 per 1000 cubic feet	(N)

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