

JOHN N. HUGHES
ATTORNEY AT LAW
PROFESSIONAL SERVICE CORPORATION
124 WEST TODD STREET
FRANKFORT, KENTUCKY 40601

TELEPHONE: (502) 227-7270

JNHUGHES@fewpb.net

September 30, 2014

RECEIVED

SEP 30 2014

PUBLIC SERVICE
COMMISSION

Jeff Derouen
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

Re: Atmos Energy Corporation
Case No. 2014-00275

Dear Mr. Derouen:

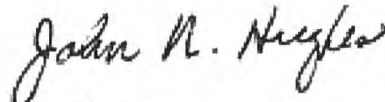
Atmos Energy Corporation provides the attached response to the Commission's letter of August 11, 2014. A copy has been provided to the Attorney General.

If you have any questions about this filing, please contact me.

Submitted By:

Mark R. Hutchinson
Wilson, Hutchinson and Poteat
611 Frederica St.
Owensboro, KY 42301
270 926 5011
270-926-9394 fax
randy@whplawfirm.com

And



John N. Hughes
124 West Todd St.
Frankfort, KY 40601
Phone: 502 227 7270
jnhughes@fewpb.net

Attorneys for Atmos Energy Corporation

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF ATMOS ENERGY CORPORATION)
FOR AN ORDER APPROVING SYSTEM) CASE
DEVELOPMENT RIDER) NO. 2014-00275

AMENDED APPLICATION

1. Atmos Energy Corporation, "Atmos", by counsel, files this Amended Application for an order approving the System Development Rider (SDR), which was attached as Exhibit A in the July 31, 2014 application. The purpose of the SDR is set forth in that tariff. A tariff with revised effective date is attached as exhibit 1.

2. Correspondence and communications with respect to this Application should be directed to:

Mark A. Martin,
Atmos Energy Corporation,
3275 Highland Pointe Drive,
Owensboro, Kentucky
(270) 685-8095 office
(270) 689-2076 fax
(Mark.Martin@atmosenergy.com)

Mark R. Hutchinson,
Wilson, Hutchinson, Poteat & Littlepage,
611 Frederica Street,
Owensboro, Kentucky 42301
270 926 5011 PH
(270) 926-9394 fax

(randy@whplawfirm.com)

And

John N. Hughes
124 W. Todd St.
Frankfort, KY 40601
502 227 7270
jnhughes@fewpb.net

3. Atmos adopts and incorporates in full the application filed in this matter on July 31, 2014.

4. Certain events became known to the Company after the Final Order was issued on April 22, 2014 in the Company's most recent rate case, Case No. 2013-00148, which support the need for the immediate approval of the proposed tariff. The Company received a letter from the Mayor of Hopkinsville (Mayor) on June 4, 2014 asking the Company to extend our natural gas system to two unserved areas of his community. The Company views these opportunities as possible situations in which the SDR would be beneficial.

5. The potential projects outlined in the Mayor's letter are not economically feasible under existing tariffs. The Company believes that the projects outlined in the Mayor's letter meet the spirit and intent of past SDR applications. However, unlike prior tariff proposals, which did not include a specific project and associated rate, this Rider is intended to encourage economic development and job growth by allowing the Company to recover operational expenses, capital investment or both, which are associated with the proposed expansion and/or improvement of infrastructure to existing and/or new service areas not otherwise feasible for service. The benefits, rate impact and other details of the proposal are contained in the testimony of Mark Martin, exhibit 2.

6. On August 11, 2014 the Commission issued a deficiency letter detailing additional information required for the acceptance of the application for Commission review. On August 28, 2014, representatives of Atmos, the Attorney General and the Commission staff met to discuss those requirements.

7. Pursuant to that meeting the following information is provided:

807 KAR 5:001

Section 16(1)(B)

5. A statement that notice has been given in compliance with Section 17 of this administrative regulation, with a copy of the notice.

RESPONSE: Notice has been given. See pre filed testimony of Mark Martin, exhibit 2.

6. If a water district proposes to increase any current rate for service or implement a new rate for service, a statement from an authorized official of the district indicating the date the proposed rate increase or new rate was reported to the governing body of the county in which the largest number of its customers resides and the date it presented testimony, or is scheduled to present testimony, to that governing body.

RESPONSE: This is not applicable to Atmos.

Section 16(2)

If utility's gross annual revenues exceed \$5,000,000, was written notice of intent to file a rate application filed at least thirty (30) days, but not more than sixty (60) days, prior to application?

(a) Notice shall state whether the application will be supported by historical or a fully forecasted test period.

(c) Has a copy of the notice of intent been served upon the Attorney General, either by electronic mail in a portable document format or mail?

RESPONSE: Atmos requests a waiver pursuant to 807 KAR 5:001(22) from this requirement due to the previous filing of the application on July 31, 2014. That application provided the Commission and Attorney General of the intent of Atmos to seek this tariff change. Further notice would be duplicative. Additionally, a case number has been assigned to the application.

Section 16 (4)

(a) Complete description and quantified explanation for all proposed adjustments with support for changes in price or activity levels, and other factors affecting the adjustment.

(b) If utility has gross annual revenues exceeding \$5,000,000, written testimony of each witness who will support the application. See Exhibit 2.

(d) Estimate of effect that new rate(s) will have on revenues including, at minimum, total revenues resulting from increase or decrease and percentage of increase or decrease.

(e) If electric, gas, sewage or water utility, the effect upon the average bill for each customer classification to which change will apply.

RESPONSE: Item a see exhibit 3; d and e are attached as exhibits 3 and 4.

(g) Analysis of customers' bills in such detail that revenues from present and proposed rates can be readily determined for each customer class.

RESPONSE: Atmos requests a waiver pursuant to 807 KAR 5:001(22) from this requirement because the revenue from the proposed tariff recovers only the expense incurred in implementing the tariff, which is distributed among the classes as reflected in the tariff.

(h) Summary of determination of revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage, or operating ratio, with supporting schedules.

RESPONSE: Atmos requests a waiver pursuant to 807 KAR 5:001(22) from this requirement because the revenue is based on the annual expense associated with each specific project that qualifies under the tariff. There is no general increase in revenue.

(i) Reconciliation of rate base and capital used to determine revenue requirements.

RESPONSE: Atmos requests a waiver pursuant to 807 KAR 5:001(22) from this requirement because rate base and capital are not used in calculating the revenue requirement.

(j) Current chart of accounts if more detailed than the Uniform System of Accounts.

RESPONSE: Atmos requests a waiver pursuant to 807 KAR 5:001(22) from this requirement because of the limited nature of the tariff and the specific nature of the revenue adjustment.

(k) Independent auditor's annual opinion report, with any written communication from auditor which indicates existence of material weakness in internal controls.

RESPONSE: Atmos requests a waiver pursuant to 807 KAR 5:001(22) from this requirement because of the limited nature of the revenue impact of the tariff.

(l) The most recent FERC or FCC audit reports.

(m) The most recent FERC Form 1 (electric), FERC Form 2 (gas), or PSC Form T (telephone).

RESPONSE: Atmos requests a waiver pursuant to 807 KAR 5:001(22) from these requirements because of the limited nature of the revenue impact of the tariff.

(n) Summary of latest depreciation study with schedules by major plant accounts, except that telecommunications utilities adopting PSC's average depreciation rates shall provide schedule identifying current and test period depreciation rates used by major plant accounts. If filed in another PSC case, refer to that case's number.

RESPONSE: Atmos requests a waiver pursuant to 807 KAR 5:001(22) from this requirement because the tariff rates proposed are not based on plant in service.

(o) List of all commercial or in-house computer software, programs, and models used to develop schedules and work papers associated with the filing. Include each software, program, or model; what each was used for; its supplier; brief description and specifications for the computer hardware and the operating system required to run the program.

RESPONSE: The software used is Microsoft Word Office

(p) Prospectuses of most recent stock or bond offerings.

(q) Annual report to shareholders, or members, and statistical supplements covering the 2 most recent years from the application filing date.

RESPONSE: Atmos requests a waiver pursuant to 807 KAR 5:001(22) from these requirements due to the limited nature of the tariff and the revenue neutral impact on the company's earnings.

(r) Monthly managerial reports providing financial results for 12 months in test period.

RESPONSE: Attached as exhibit 5.

(s) SEC's annual report (Form 10-K) for most recent 2 years, any Form 8-Ks issued within past 2 years, and Form 10-Qs issued during the past 6 quarters updated as current information becomes available.

RESPONSE: Atmos requests a waiver pursuant to 807 KAR 5:001(22) from these requirements due to the limited nature of the tariff and the revenue neutral impact on the company's earnings.

(t) If utility had amounts charged or allocated to it by affiliate or general or home office, or paid any monies to affiliate or general or home office during test period or during previous 3 calendar years, file:

1. Detailed description of method of calculation and amounts allocated or charged to utility by affiliate or general or home office for each charge allocation or payment;
2. Explanation of how allocator for the test period was determined; and
3. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during test period was reasonable;

RESPONSE: Atmos requests a waiver pursuant to 807 KAR 5:001(22) from this requirement. Detailed information about the allocation methods was provided in Case No. 2013-00148.

(u) If gas, electric, sewage or water utility, whose annual gross revenues exceed \$5,000,000, cost of service study based on methodology generally accepted in industry and based on current and reliable data from a single time period.

RESPONSE: Atmos requests a waiver pursuant to 807 KAR 5:001(22) from these requirements due to the limited nature of the tariff and the revenue neutral impact on the company's earnings
Section 16 (5)

(a) Detailed income statement and balance sheet reflecting impact of all proposed adjustments.

RESPONSE: Attached as exhibit 6.

(b) Most recent capital construction budget containing at least period of time as proposed for any pro forma adjustment for plant additions.

4. Amount contained in construction work in progress at end of test period

(d) Operating budget for each month of the period encompassing the pro forma adjustments;

(e) Number of customers to be added to the test period — end level of customers and the related revenue requirements impact for all pro forma adjustments with complete details and supporting work papers.

RESPONSE: Atmos requests a waiver pursuant to 807 KAR 5:001(22) from these requirements because no pro forma construction projects are involved in the application.

Section 17 (4)

- (a) The proposed effective date and the date the proposed rates are expected to be filed with the commission.
- (b) The present and proposed rates for each customer class to which the proposed rates will apply.
- (c) Amount of change requested in dollar amounts and percentage change for each customer classification to which change will apply.
- (d) Electric, gas, and water utilities — the amount of the average usage and the effect upon average bill for each customer class to which change will apply.

RESPONSE: See attached customer notice, exhibit 3.

For these reasons, Atmos requests that the waivers be granted, the information supplied be considered sufficient to justify the approval of the tariff and for an order granting any and all authorizations required to implement the proposed SDR tariff.

Submitted by:

Mark R. Hutchinson
Wilson, Hutchinson, Poteat and Littlepage
611 Frederica St.
Owensboro, KY 42303
270 926 5011
Fax: 270-926-9394
Randy@whplawfirm.com

And

John N. Hughes
124 West Todd Street
Frankfort, KY 40601
502 227 7270
Fax: none
inhughes@fewpb.net

Attorneys for Atmos Energy Corporation

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

FOR ENTIRE SERVICE AREA

P.S.C. KY NO. 2

Second Revised SHEET NO. 4

Cancelling

First Revised SHEET No. 4

ATMOS ENERGY CORPORATION
NAME OF UTILITY

Current Rate Summary

Firm Service

Base Charge:

Residential (G-1)	-	\$16.00	per meter per month
Non-Residential (G-1)	-	40.00	per meter per month
Transportation (T-4)	-	350.00	per delivery point per month
Transportation Administration Fee	-	50.00	per customer per meter

Rate per Mcf²

		Sales (G-1)		Transportation (T-4)	
First	300 ¹ Mcf	@	7.9879 per Mcf	@	1.3180 per Mcf
Next	14,700 ¹ Mcf	@	7.5499 per Mcf	@	0.8800 per Mcf
Over	15,000 Mcf	@	7.2899 per Mcf	@	0.6200 per Mcf

Interruptible Service

Base Charge	-	\$350.00	per delivery point per month
Transportation Administration Fee	-	50.00	per customer per meter

Rate per Mcf²

		Sales (G-2)		Transportation (T-3)	
First	15,000 ¹ Mcf	@	6.1736 per Mcf	@	0.7900 per Mcf
Over	15,000 Mcf	@	5.9136 per Mcf	@	0.5300 per Mcf

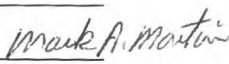
¹ All gas consumed by the customer (sales, transportation; firm and interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

² DSM, PRP, SDR and R&D Riders may also apply, where applicable.

DATE OF ISSUE August 1, 2014
MONTH / DATE / YEAR

DATE EFFECTIVE November 1, 2014
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 _____ DATED _____ N/A

FOR ENTIRE SERVICE AREA

PSC KY NO. 2

FIRST REVISED SHEET NO. 43

CANCELLING PSC KY NO. 2

ORIGINAL SHEET NO. 43

ATMOS ENERGY CORPORATION
(NAME OF UTILITY)

System Development Rider

SDR

System Development Rates:

All customers receiving service under tariff Rate Schedules G-1, G-2, T-3, and T-4 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 the applicable rate schedules will be in proportion to their relative base revenue share approved in the most recently approved general rate case.

The SDR will be filed on an as needed basis. The filing will reflect any infrastructure investment for the upcoming project as well as a balancing adjustment to keep prior filings in balance. Such adjustment to the Rider will become effective within sixty (60) days of filing and with meter readings on and after the first billing cycle of such month.

DATE OF ISSUE August 1, 2014
MONTH / DATE / YEAR

DATE EFFECTIVE November 1, 2014
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. _____ DATED _____

ATMOS ENERGY CORPORATION
(NAME OF UTILITY)


Rate Book Index

<u>General Information</u>	<u>Sheet No.</u>	
Rate Book Index	1 to 2	(T)
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 9	(T)
Interruptible Sales Service (G-2)	10 to 13	(T)
Weather Normalization Adjustment (WNA)	14	
Gas Cost Adjustment (GCA)	15 to 17	
Experimental Performance Based Rate Mechanism (PBR)	18 to 29	
Demand Side Management (DSM)	30 to 36	
Research & Development Rider (R & D)	37	
Pipeline Replacement Rider (PRP)	38 to 39	
Economic Development Rider (EDR)	40 to 41	
System Development Rider (SDR)	42 to 44	(N)
<u>Transportation Service</u>		
Transportation Service (T-3)	45 to 51	
Transportation Service (T-4)	52 to 58	
Alternate Receipt Point Service (T-5)	59 to 60	
Transportation Pooling Service (T-6)	61 to 62	
<u>Miscellaneous Special Charges</u>	63	
<u>Rules and Regulations</u>		
1. Commission's Rules and Regulations	64	
2. Company's Rules and Regulations	64	
3. Application for Service	64	
4. Billings	65 to 66	
5. Deposits	67 to 68	
6. Special Charges	68 to 70	

DATE OF ISSUE August 1, 2014
Month/Date/Year

DATE EFFECTIVE November 1, 2014
Month/Date/Year

Issued by Authority of an Order of the Public Service Commission in
Case No. 2013-00148

ISSUED BY /s/ Mark A. Martin 
Signature of Officer

TITLE Vice President – Rates and Regulatory Affairs

ATMOS ENERGY CORPORATION
(NAME OF UTILITY)

General Firm Sales Service
Rate G-1

1. Applicable

Entire Service Area of The Company.

2. Availability of Service

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. Net Monthly Rate

- a) Base Charge
 - \$16.00 per meter for residential service
 - \$40.00 per meter for non-residential service


- b) Distribution Charge
 - First¹ 300 Mcf @ \$1.3180 per 1,000 cubic feet
 - Next¹ 14,700 Mcf @ 0.8800 per 1,000 cubic feet
 - Over 15,000 Mcf @ 0.6200 per 1,000 cubic feet

- c) Weather Normalization Adjustment.
- d) Gas Cost Adjustment (GCA) Rider, referenced on Sheet No. 15.
- e) Demand Side Management Cost Recovery Mechanism (DSM), referenced on Sheet No. 36.
- f) Research & Development Rider (R&D), referenced on Sheet No. 37.
- g) Pipe Replacement Program (PRP) Rider, referenced on Sheet No. 39.
- h) System Development Rider (SDR), referenced on Sheet No. 43.

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 August 1, 2014
Month/Date/Year

DATE EFFECTIVE November 1, 2014
Month/Date/Year

ISSUED BY /s/ Mark A. Martin 
Signature of Officer

TITLE Vice President – Rates and Regulatory Affairs

ATMOS ENERGY CORPORATION
(NAME OF UTILITY)

Interruptible Sales Service
Rate G-2

a) Revision of Delivery Volumes

The Daily Contract Demand for High Priority service and the Daily Contract Demand for Interruptible service shall be subject to revision as necessary so as to coincide with the customer's normal operating conditions and actual load with consideration given to any anticipated changes in customer's utilization, subject to the Company's contractual obligations with other customers or its suppliers, and subject to system capacity and availability of the gas if an increased volume is involved.

4. Net Monthly Rate

- a) Base Charge: \$350.00 per delivery point per month
Minimum Charge: The Base Charge plus any Transportation Fee and EFM facilities charge and any Pipe Replacement Rider.
- b) Distribution Charge

High Priority Service

The volume of gas used each day up to, but not exceeding the effective High Priority Daily Contract Demand shall be totaled for the month and billed at the "General Firm Sales Service Rate G-1".

Interruptible Service

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

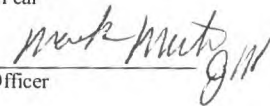
First ¹ 15,000 Mcf	\$0.7900 per 1,000 cubic feet
Over 15,000 Mcf	0.5300 per 1,000 cubic feet

- c) Gas Cost Adjustment (GCA) Rider, referenced on Sheet No. 15
d) Research & Development Rider (R&D), referenced on Sheet No. 37.
e) Pipe Replacement Program (PRP) Rider, referenced on Sheet No. 39.
f) System Development Rider (SDR), referenced on Sheet No. 43.

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 August 1, 2014
Month/Date/Year

DATE EFFECTIVE November 1, 2014
Month/Date/Year

ISSUED BY /s/ Mark A. Martin 
Signature of Officer

TITLE Vice President – Rates and Regulatory Affairs

FOR ENTIRE SERVICE AREA

PSC KY NO. 2

FIRST REVISED SHEET NO. 44

CANCELLING PSC KY NO. 2

ORIGINAL SHEET NO. 44

ATMOS ENERGY CORPORATION
(NAME OF UTILITY)

System Development Rider			(N)
SDR			
System Development Rider Rates:			
The charges for the respective gas service schedules for the revenue month beginning October 1, 2014 per billing period are:			
	<u>Monthly Base Charge</u>	<u>Distribution Charge per Mcf</u>	
Rate G-1 (Residential)	\$ 0.67	\$0.00	(N)
Rate G-1 (Non-Residential)	\$ 2.11	\$0.00	(N)
Rate G-2	\$13.09 1-15,000 Over 15,000	\$0.0203 per 1000 cubic feet \$0.0000 per 1000 cubic feet	(N) (N)
Rate T-3	\$10.81 1-15,000 Over 15,000	\$0.0219 per 1000 cubic feet \$0.0147 per 1000 cubic feet	(N) (N)
Rate T-4	\$10.32 1-300 301-15,000 Over 15,000	\$0.0349 per 1000 cubic feet \$0.0233 per 1000 cubic feet \$0.0164 per 1000 cubic feet	(N) (N) (N)

DATE OF ISSUE August 1, 2014
MONTH / DATE / YEAR

DATE EFFECTIVE November 1, 2014
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. _____ DATED _____

FOR ENTIRE SERVICE AREA

PSC KY NO. 2

FIRST REVISED SHEET NO. 44

CANCELLING PSC KY NO. 2

ORIGINAL SHEET NO. 44

ATMOS ENERGY CORPORATION
(NAME OF UTILITY)

System Development Rider			(N)
SDR			
System Development Rider Rates:			
The charges for the respective gas service schedules for the revenue month beginning October 1, 2014 per billing period are:			
	<u>Monthly Base Charge</u>	<u>Distribution Charge per Mcf</u>	
Rate G-1 (Residential)	\$ 0.67	\$0.00	(N)
Rate G-1 (Non-Residential)	\$ 2.11	\$0.00	(N)
Rate G-2	\$13.09 1-15,000 Over 15,000	\$0.0203 per 1000 cubic feet \$0.0000 per 1000 cubic feet	(N) (N)
Rate T-3	\$10.81 1-15,000 Over 15,000	\$0.0219 per 1000 cubic feet \$0.0147 per 1000 cubic feet	(N) (N)
Rate T-4	\$10.32 1-300 301-15,000 Over 15,000	\$0.0349 per 1000 cubic feet \$0.0233 per 1000 cubic feet \$0.0164 per 1000 cubic feet	(N) (N) (N)

DATE OF ISSUE August 1, 2014
MONTH / DATE / YEAR

DATE EFFECTIVE November 1, 2014
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. _____ DATED _____

FOR ENTIRE SERVICE AREA

PSC KY NO. 2

FIRST REVISED SHEET NO. 42

CANCELLING PSC KY NO. 2

ORIGINAL SHEET NO. 42

ATMOS ENERGY CORPORATION
(NAME OF UTILITY)

System Development Rider

SDR

Applicable:

Applicable to all customers receiving service under the Company's Rate Schedules G-1, G-2, T-3, and T-4.

Purpose:

This Rider is intended to encourage economic development and job growth by allowing the Company to recover operational expenses, capital investment or both associated with the expansion and/or improvement of infrastructure to existing and/or new service areas. The Company can only use this Rider for announced projects and those projects must be accompanied by an increase in jobs.

Summary:

The Company may invest up to \$5,000,000 in such projects on an annual basis pursuant to this tariff. In the event the Company determines such investments may exceed \$5,000,000 during any given year for such projects, advance approval for the incremental investment shall be subject to approval by the Kentucky Public Service Commission.


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.

DATE OF ISSUE August 1, 2014
MONTH / DATE / YEAR

DATE EFFECTIVE November 1, 2014
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. _____ DATED _____

ATMOS ENERGY CORPORATION

(NAME OF UTILITY)

Interruptible Transportation Service

Rate T-3

1. Applicable

Entire service area of the Company to any customer for that portion of the customer's interruptible requirements not included under one of the Company's sales tariffs.

2. Availability of Service

- a) Available to any customer with an expected demand of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require interruptible transportation service by the Company to customer's facilities subject to suitable service being available from existing facilities.
- b) The Company may decline to initiate service to a customer under this tariff or to allow a customer receiving service under this tariff to elect any other service provided by the Company, if in the Company's sole judgment, the performance of such service would be contrary to good operating practice or would have a detrimental impact on other customers serviced by the Company.

3. Net Monthly Rate

In addition to any and all charges assessed by other parties, there will be applied:

- a) Base Charge - \$350.00 per delivery point
- b) Transportation Administration Fee - 50.00 per customer per month

c) Distribution Charge for Interruptible Service


First ¹	15,000	Mcf	@	\$0.7900	per Mcf
Over	15,000	Mcf	@	0.5300	per Mcf

- d) Applicable Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.
- e) Electronic Flow Measurement ("EFM") facilities charge, if applicable.
- f) Pipe Replacement Program (PRP) Rider.
- g) System Development Rider (SDR).

¹All 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 August 1, 2014
Month/Date/Year

DATE EFFECTIVE November 1, 2014
Month/Date/Year

ISSUED BY /s/ Mark A. Martin 
Signature of Officer

TITLE Vice President – Rates and Regulatory Affairs

ATMOS ENERGY CORPORATION

(NAME OF UTILITY)

Firm Transportation Service

Rate T-4

1. Applicable

Entire Service Area of the Company to any customer for that portion of the customer's firm requirements not included under one of the Company's sales tariffs.

2. Availability of Service

- a) Available to any customer with an expected demand of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require firm transportation service by the Company to customer's facilities subject to suitable service being available from existing facilities.
- b) The Company may decline to initiate service to a customer under this tariff or to allow a customer receiving service under this tariff to elect any other service provided by the Company, if in the Company's sole judgment, the performance of such service would be contrary to good operating practice or would have a detrimental impact on other customers serviced by the Company.

3. Net Monthly Rate

In addition to any and all charges assessed by other parties, there will be applied:

- a) Base Charge - \$350.00 per delivery point
- b) Transportation Administration Fee - 50.00 per customer per month

c) Distribution Charge for Firm Service

First ¹	300 Mcf	@	\$1.3180	per Mcf
Next ¹	14,700 Mcf	@	0.8800	per Mcf
Over	15,000 Mcf	@	0.6200	per Mcf


- d) Applicable Non-Commodity Components as calculated in the Company's Gas Cost Adjustment (GCA) filing.
- e) Electronic Flow Measurement ("EFM") facilities charges, if applicable.
- f) Pipe Replacement Program (PRP) Ride.
- g) System Development Rider (SDR).

(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 August 1, 2014
Month/Date/Year

DATE EFFECTIVE November 1, 2014
Month/Date/Year

ISSUED BY /s/ Mark A. Martin 
Signature of Officer

TITLE Vice President – Rates and Regulatory Affairs

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

**APPLICATION OF ATMOS ENERGY)
CORPORATION FOR APPROVAL OF A)
SYSTEM DEVELOPMENT RIDER)**

Case No. 2014-00275

TESTIMONY OF MARK A. MARTIN

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.

A. My name is Mark A. Martin. I am Vice President – Rates and Regulatory Affairs for the Kentucky/Mid-States Division of Atmos Energy Corporation (“Atmos Energy” or the “Company”). My business address is 3275 Highland Pointe Drive, Owensboro, Kentucky, 42303.

Q. PLEASE BRIEFLY DESCRIBE YOUR CURRENT RESPONSIBILITIES, AND PROFESSIONAL AND EDUCATIONAL BACKGROUND.

A. I am responsible for Rates and Regulatory Affairs matters in Kentucky. I graduated from Eastern Illinois University in 1995 with a degree in Accounting. I have been with United Cities Gas Company and subsequently Atmos Energy Corporation since September 1995. I have served in a variety of positions of increasing responsibility in both Gas Supply and Rates prior to assuming my current responsibility in 2007.

Q. HAVE YOU EVER SUBMITTED TESTIMONY BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION?

1 A. Yes. I filed testimony in Case No. 2013-00148 and in Case No. 2010-00146.

2 **Q. HAVE YOU SUBMITTED TESTIMONY ON MATTERS BEFORE**
3 **OTHER STATE REGULATORY COMMISSIONS?**

4 A. Yes, I have filed testimony before the Georgia Public Service Commission, the
5 Illinois Commerce Commission, the Missouri Public Service Commission, and
6 the South Carolina Public Service Commission.

7

8 **II. PURPOSE AND SUMMARY OF TESTIMONY**

9 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

10 A. My direct testimony has one primary purpose which is to discuss the Company's
11 application for approval of a System Development Rider (SDR).

12

13 **III. ATMOS ENERGY'S OPERATIONS IN KENTUCKY**

14 **Q. CAN YOU PROVIDE THE COMMISSION WITH A GENERAL**
15 **DESCRIPTION AND BACKGROUND OF THE COMPANY'S**
16 **OPERATIONS IN KENTUCKY?**

17 A. Yes. We have a Kentucky-based work force of approximately 220 employees
18 providing safe and reliable natural gas service to a customer base of
19 approximately 173,200 residential, commercial and industrial consumers. Our
20 utility plant in Kentucky includes over 3,900 miles of transmission and
21 distribution lines.

1 **Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF ATMOS ENERGY'S**
2 **CORPORATE STRUCTURE AND HOW IT ENABLES THE COMPANY**
3 **TO BE AN EFFICIENT, LOW COST PROVIDER OF NATURAL GAS.**

4 A. Atmos Energy is one of the largest pure natural gas distribution companies in the
5 United States, delivering natural gas to approximately 3 million residential,
6 commercial, industrial and public-authority customers in 8 states. Atmos Energy
7 has six gas utility operating divisions. They are located in Denver, Colorado
8 (Colorado/Kansas division); Baton Rouge, Louisiana (Louisiana division);
9 Jackson, Mississippi (Mississippi division); Lubbock, Texas (West Texas
10 division); Dallas, Texas (Mid-Tex division); and Owensboro, Kentucky and
11 Franklin, Tennessee (Kentucky/Mid-States division). In addition, Atmos Energy
12 has an operating division consisting of a regulated intrastate pipeline that
13 functions only within the state of Texas.

14 Atmos Energy's corporate offices are located in Dallas, Texas and provide
15 services such as accounting, legal, human resources, rate administration,
16 procurement, information technology and customer support centers. These
17 centralized services are shared with the other Atmos Energy operating divisions in
18 order to avoid having to staff and maintain these functions at each division level.
19 These centralized services are the technical and administrative services that would
20 be required if each division was a stand-alone company. Atmos Energy believes
21 that this structure provides it with an economic advantage and enables it to be a
22 low-cost, high-quality provider of natural gas.

23

1 **IV. OVERVIEW OF SERVICE AREA AND CUSTOMER BASE**

2 **Q. WHAT ARE THE COMPANY'S PRIMARY OBJECTIVES IN ITS**
3 **KENTUCKY OPERATIONS?**

4 A. Our primary objective is to meet or exceed the expectations of our customers,
5 shareholders, employees, regulators and other key stakeholders. We strive to
6 provide excellent customer service, provide safe and reliable delivery of natural
7 gas service, be a good corporate citizen in the communities we serve, and for this
8 state in which we have operated since 1934. As a part of that mission, the
9 Company strives to encourage economic development and job growth in the areas
10 we serve.

11 **Q. PLEASE DESCRIBE THE MAKEUP OF ATMOS ENERGY'S CURRENT**
12 **CUSTOMER BASE IN KENTUCKY.**

13 A. Atmos Energy currently serves 173,200 customers throughout its service area
14 extending from western to central Kentucky. Residential class customers account
15 for the vast majority of meters, at approximately 153,900.

16 The Company is somewhat unique in its level of throughput to industrial class
17 customers, with industrial sales and transportation volumes accounting for more
18 than 67% of Atmos Energy's annual throughput during a 12-month period. The
19 region served by Atmos Energy is somewhat economically dependent on the well-
20 being of these industries, as is Atmos Energy through its requirements for
21 operating margin under current rate designs. The primary purpose of the SDR is
22 to allow the Company to be proactive in assisting not only existing industries in

1 our serve area to expand and add jobs, but also to assist the communities we serve
2 in attracting industries to locate in Kentucky.

3
4 **V. PRINCIPAL FACTORS FOR THIS SDR APPLICATION**

5 **Q. WHY DID THE COMPANY FILE THIS APPLICATION?**

6 A. The Company became aware of certain events subsequent to the issuance of the
7 Final Order on April 22, 2014 in its most recent rate case, Case No. 2013-00148.

8 **Q. PLEASE DESCRIBE THOSE EVENTS.**

9 A. At the end of April, Governor Beshear announced that a canola oil plant would be
10 locating in Todd County. Also, the Company received a letter from the Mayor of
11 Hopkinsville (Mayor) on June 4th asking the Company to extend our natural gas
12 system to two unserved areas of his community. The Company viewed both
13 events as possible situations in which the SDR would be beneficial. As stated in
14 the previous cases in which Atmos has proposed the SDR, the Company has
15 viewed the SDR mechanism as an important tool in encouraging industrial
16 growth. The SDR has never been proposed due to past lost opportunities, but has
17 been proposed for future opportunities that may present themselves.

18 **Q. WHAT IS THE COMPANY SEEKING WITH THIS SDR APPLICATION?**

19 A. The Company is requesting that the Commission issue an order which first
20 establishes an SDR mechanism as well as approve associated SDR rates for the
21 specific projects outlined in the Mayor's letter. The Company is not seeking the
22 inclusion of the aforementioned canola oil plant at this time due no known
23 requests for gas service.

1 **Q. ARE THERE ANY FACTORS THAT LED TO THE TIMING OF THE**
2 **CURRENT SDR APPLICATION?**

3 A. Yes.

4 **Q. PLEASE EXPLAIN.**

5 A. There are two main reasons for the timing of the application.

6 1. Per the terms of Franchise Agreement with the city of Hopkinsville, the
7 Company was required to file a response to the Mayor's letter within sixty days of
8 receipt.

9 While the potential projects outlined in the Mayor's letter were not economically
10 feasible, the Company wanted the Mayor to know that the Company would be
11 exploring another option to extend natural gas service per his request. The
12 Company believes that the projects outlined in the Mayor's letter meet the spirit
13 and intent of past SDR applications and the Company's commitment to assist in
14 the economic development of the communities that we serve.

15 2. The Company has been told that an industrial prospect that would be locating
16 in one of the areas outlined in the Mayor's letter would need gas service by July
17 2015.

18 While July 2015 may seem a long time away, it is not a simple matter to prepare
19 for Atmos Energy to serve that facility. To enable service from Atmos Energy,
20 the SDR mechanism will need to be approved, time will be needed to engineer
21 and design the project, easements will need to be executed, and construction and
22 installation will need to occur. While the Company feels confident that it can

1 have the necessary infrastructure in place by July 2015, a delay in any one of the
2 items listed above could jeopardize the project.

3 **Q. WHEN DID THE COMPANY'S CURRENT RATES BECOME**
4 **EFFECTIVE?**

5 A. The Company's current base distribution rates were established by the
6 Commission in Case No. 2013-00148, by the Order dated April 22, 2014.

7 **Q. WHAT IS THE AMOUNT OF THE RATE INCREASE THAT ATMOS**
8 **ENERGY IS SEEKING IN THIS SDR RATE APPLICATION?**

9 A. Atmos Energy is seeking approval to increase its rates to recover approximately
10 \$2,067,352 in additional revenues. For an average residential customer, the total
11 bill increase would be \$0.67 per month.

12
13 **VI. SDR OVERVIEW**

14 **Q. PLEASE EXPLAIN THE PURPOSE OF THE COMPANY'S PROPOSED**
15 **SYSTEM DEVELOPMENT RIDER.**

16 A. This Rider is intended to encourage economic development and job growth by
17 allowing the Company to recover operational expenses, capital investment or both
18 associated with the expansion and/or improvement of infrastructure to existing
19 and/or new service areas not otherwise feasible.

20 **Q. TO WHICH CLASS OF CUSTOMERS WOULD THE SDR BE**
21 **CHARGED?**

22 A. The SDR would be applicable to all tariff service customers under the Company's
23 Rate Schedules G-1, G-2, T-3, and T-4.

1 **Q. DID THE COMPANY PROPOSE TO APPLY SDR RATES TO ALL**
2 **CLASSES OF CUSTOMERS IN PRIOR SDR APPLICATIONS?**

3 A. No. Prior SDR applications were designed with the intent of any approved SDR
4 rate being applied to G-1 and G-2 customers only.

5 **Q. WHAT IS THE REASONING FOR APPLYING SDR RATES TO ALL**
6 **CLASSES OF CUSTOMERS IN THE COMPANY'S CURRENT SDR**
7 **APPLICATION?**

8 A. Through the course of discovery in Case No. 2013-00148, the Company was left
9 with the impression that the Commission Staff preferred such an approach. Upon
10 further reflection, the SDR, like the Company's Pipe Replacement Program
11 (PRP), would provide benefits to all customers, and therefore, the Company is
12 now proposing that SDR rates apply to all classes of customers.

13 **Q. PLEASE EXPLAIN HOW THE SDR WOULD BE CALCULATED.**

14 A. The SDR would be calculated in the same manner as the Company's approved
15 PRP mechanism. The SDR would be filed on or around August 1st of each year.
16 The filing would reflect any infrastructure investment for the upcoming fiscal
17 year ending each September as well as a balancing adjustment for the preceding
18 fiscal year. Such adjustments to the SDR would become effective with meter
19 readings on and after the first billing cycle of October.

20 **Q. HAS THE COMPANY PROPOSED RIDERS SIMILAR TO THE SDR IN**
21 **THE PAST?**

22 A. Yes. The Company proposed a SDR mechanism in February 2012 in Case No.
23 2012-00066 and again in May 2013 in Case No. 2013-00148. The Company's

1 proposed riders are nearly identical to those proposed in Case No. 2012-00066
2 and Case No. 2013-00148.

3 **Q. PLEASE EXPLAIN ANY DIFFERENCES IN THE CURRENTLY**
4 **PROPOSED SDR AND SDR MECHANISMS THAT HAVE BEEN**
5 **PROPOSED IN THE PAST.**

6 A. With past SDR proposals, the Company had no known projects, so the proposed
7 SDR rates were zero. The currently proposed SDR mechanism has corresponding
8 rates to reflect the projects outlined in the Mayor's letter. Also, past SDR
9 proposals were designed to only be applicable to the Company's G-1 and G-2
10 sales service customers. Another difference is the creation of a \$5,000,000 annual
11 threshold. The Company may invest up to \$5,000,000 in such projects on an
12 annual basis pursuant to the proposed SDR tariff. In the event the Company
13 determines such investments may exceed \$5,000,000 during any given year for
14 such projects, advance approval for the incremental investment shall be subject to
15 approval by the Kentucky Public Service Commission.

16 **Q. DID THE COMMISSION APPROVE A SDR MECHANISIM IN CASE NO.**
17 **2012-00066?**

18 A. No. The Final Order in Case No. 2012-00066 indicated that public notice, as
19 required under KRS 278.180, was necessary for approval and implementation of a
20 SDR.

21 **Q. HAS THE COMPANY PROVIDED PUBLIC NOTICE IN THIS CASE?**

22 A. Yes.

1 **Q. DID THE COMMISSION APPROVE A SDR MECHANISM IN CASE NO.**
2 **2013-00148?**

3 A. No. The Final Order in Case No. 2013-00148 seemed to indicate that since the
4 Company has not been harmed over the last five years for not having a SDR
5 mechanism, such mechanism is not needed. However, on page 45 of the Final
6 Order, the Commission states that “The Commission further finds that its denial
7 of the SDR should be without prejudice for Atmos-Ky. to request the SDR in the
8 future if it experiences increasing opportunities for projects that would be subject
9 to such a mechanism.”

10
11 **VII. PROPOSED RATES AND RATE STRUCTURES**

12 **Q. HOW DID YOU DETERMINE THE MANNER IN WHICH THE SDR**
13 **REVENUE DEFICIENCY WOULD BE SPREAD TO CLASSES AND TO**
14 **FIXED AND VARIABLE BILLING COMPONENTS?**

15 A. In Case No. 2013-00148, Company witness Raab provided a Class Cost of
16 Service study. In his study, he determined that all classes contribute adequate
17 amounts to the Company’s cost of service with the lone exception being
18 residential sales. While Mr. Raab’s analysis is utilized as one point of reference,
19 the Company believes that each class (commercial, public authority, industrial
20 sales and transportation) can bear some portion of the requested increase.

21 With respect to the SDR deficiency to be borne between the fixed or variable
22 components, the Company has chosen to mimic the PRP surcharge allocation.

1 **Q. WHAT IS THE RESULTING EFFECT OF ATMOS ENERGY'S**
2 **PROPOSED SDR RATES COMPARED TO CURRENT RATES FOR THE**
3 **AVERAGE RESIDENTIAL, COMMERCIAL AND INDUSTRIAL**
4 **CUSTOMERS RESPECTIVELY?**

5 A. Using the test year volumes from Case No. 2013-00148 and current gas costs as
6 the basis for comparison, the annual impact of Atmos Energy's proposed rates is
7 as follows. The average monthly charges for a residential customer under G-1
8 service would increase \$0.67, a 1.13% increase over current rates. Commercial
9 class customers' average monthly charges would increase \$2.11, a 0.38% increase
10 over current rates, and the industrial sales and transportation class average
11 monthly charges would increase \$59.55, a 1.86% increase over current rates. The
12 impact on each customer's average bill would vary according to individual
13 consumption or transportation levels.

14 **Q. WOULD THE COMPANY'S SDR RATES ZERO OUT AT THE**
15 **CONCLUSION OF THE COMPANY'S NEXT RATE CASE?**

16 A. Yes. Just like the Company's PRP program, any investment reflected in the
17 Company's SDR rates will roll into Rate Base and the SDR rates will zero out
18 until the Company's next SDR filing.

19
20 **VIII. CONCLUSION**

21 **Q. WHY SHOULD THE COMMISSION APPROVE THE COMPANY'S**
22 **PROPOSED SDR RIDER?**

1 A. This is the Company's third attempt at seeking approval for a SDR mechanism.
2 After reading the Final Order in Case No. 2013-00148, the Company would like
3 to emphasize that its prior SDR applications were never proposed due to lost
4 opportunities. While the Company has more specific opportunities tied with its
5 current SDR application, all SDR applications have been proposed for future
6 opportunities to promote economic development within the communities that the
7 Company serves. As stated in prior SDR applications, the Company believes that
8 its proposed SDR mechanism would help delay the time and cost associated with
9 a general rate proceeding. Also, the competition for customers that will bring
10 new jobs and capital investment into Kentucky is more competitive than ever.
11 The Company believes that all customers will share in the benefits of increased
12 industrial development and job creation and as a result should not be considered
13 as being adversely affected by the SDR rider. If the Commission prefers an
14 alternative to the SDR rider, the Company would be open to an annual review of
15 rates similar to programs in Louisiana, Mississippi, Tennessee and Virginia in
16 which the Company is a participant.

17 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

18 A. Yes.

ATMOS ENERGY CORPORATION
KENTUCKY SYSTEM DEVELOPMENT RIDER PROPOSAL
SURCHARGE CALCULATION OF FORCASTED ACTIVITY
AS OF OCTOBER 2014 THROUGH SEPTEMBER 2015
SURCHARGE SUMMARY

Line Number	Tariff Schedule	Customer Charge
1	RESIDENTIAL (Rate G-1)	\$ 0.67
2	NON-RESIDENTIAL (Rate G-1)	\$ 2.11
3	INTERRUPTIBLE (Rate G-2)	\$ 57.85
4		
5		Sales: 1-15,000
6	TRANSPORTATION (T-3)	Sales: Over 15,000
7		\$ 209.00
8		Interrupt Transport: 1-15,000
9	TRANSPORTATION (T-4)	Interrupt Transport: Over 15,000
10		\$ 117.78
11		Firm Transport: 1-300
12		Firm Transport: 301-15,000
		Firm Transport: Over 15,000

ATMOS ENERGY CORPORATION
KENTUCKY SYSTEM DEVELOPMENT RIDER PROPOSAL
SURCHARGE CALCULATION OF FORCASTED ACTIVITY
AS OF OCTOBER 2014 THROUGH SEPTEMBER 2015
SURCHARGE SUMMARY

Line Number	Tariff Schedule	Customer Charge	Volumetric Charge
1	RESIDENTIAL (Rate G-1)	\$ 0.67	0.0000
2	NON-RESIDENTIAL (Rate G-1)	\$ 2.11	0.0000
3	INTERRUPTIBLE (Rate G-2)	\$ 13.09	
4			Sales: 1-15,000
5			Sales: Over 15,000
6	TRANSPORTATION (T-3)	\$ 10.81	
7			Interrupt Transport: 1-15,000
8			Interrupt Transport: Over 15,000
9	TRANSPORTATION (T-4)	\$ 10.32	
10			Firm Transport: 1-300
11			Firm Transport: 301-15,000
12			Firm Transport: Over 15,000

ATMOS ENERGY CORPORATION
KENTUCKY SYSTEM DEVELOPMENT RIDER PROPOSAL
SURCHARGE CALCULATION OF FORCASTED ACTIVITY
AS OF OCTOBER 2014 THROUGH SEPTEMBER 2015
DEFICIENCY

Line Number	Description	Total
1	Project Additions	\$ 16,613,778
2	Project Retirements	-
3	Net Change to Gross Plant	\$ 16,613,778
4		
5	Cost of Removal to Accumulated Depr.	-
6	Retirements from Accumulated Depr.	-
7	Depreciation Accrual to Accumulated Depr.	(196,183)
8	Net Change to Accumulated Depreciation	(196,183)
9		
10	Net Change to Net Plant	\$ 16,417,595
11		
12	Accumulated Deferred Income Taxes	(234,767)
13	Net Change to Rate Base	\$ 16,182,827
14		
15	Rate of Return	7.71%
16	Required Operating Income	\$ 1,247,659
17		
18	Depreciation & Amortization Expense	196,183
19	Ad Valorem Tax Increase	127,145
20	Income Taxes on Cost of Service Items	(125,775)
21	Income Taxes on Adjusted Interest Expense	(182,061)
22	Operating Income at Present Rates	\$ 15,493
23		
24	Deficiency	\$ 1,263,152
25	Tax Factor	61.100%
26	Total Proposed Rate Adjustment	\$ 2,067,352

ATMOS ENERGY CORPORATION
KENTUCKY SYSTEM DEVELOPMENT RIDER PROPOSAL
SURCHARGE CALCULATION OF FORCASTED ACTIVITY
AS OF OCTOBER 2014 THROUGH SEPTEMBER 2015
RETIREMENTS

<u>Line Number</u>	<u>Description</u>	<u>Land Rights</u>	<u>Mains</u>	<u>M&R Equip.</u>	<u>Total</u>
1	Current Year: 2015	\$ -	-	-	\$ -
2					
3	Total Retirements	\$ -	-	-	\$ -

ATMOS ENERGY CORPORATION
KENTUCKY SYSTEM DEVELOPMENT RIDER PROPOSAL
SURCHARGE CALCULATION OF FORCASTED ACTIVITY
AS OF OCTOBER 2014 THROUGH SEPTEMBER 2015
DEFERRED INCOME TAXES

Line Number	Description	Land Rights	Mains	Services	Total
1	Net Change to Gross Plant				
2	2015	2,262,260	14,054,286	297,231	
3					
4	Total Change to Gross Plant	\$ 2,262,260	\$ 14,054,286	\$ 297,231	
5	Tax Depreciation Rates - Year 1	5.00%	5.00%	5.00%	
6	Year 1 Tax Depreciation Expense	113,113	702,714	14,862	830,689
7					
8					
9	Accumulated Tax Depreciation Expense				\$ 830,689
10	Accumulated Book Depreciation Expense				196,183
11	Accumulated Book - Tax Difference				<u>\$ (634,506)</u>
12					
13	Deferred Taxes at 37%				<u>\$ (234,767)</u>
14					
15	<u>Tax Rates</u>				
16	Ad Valorem Tax Rate	0.765%			
17	Income Tax Rate	38.90%			
18	State Tax Rate	6.00%			
19	Federal Tax Rate	35.00%			

ATMOS ENERGY CORPORATION
KENTUCKY SYSTEM DEVELOPMENT RIDER PROPOSAL
SURCHARGE CALCULATION OF FORCASTED ACTIVITY
AS OF OCTOBER 2014 THROUGH SEPTEMBER 2015
RATE OF RETURN

Line Number	Description	Percent	Cost	Weighted Cost
1	ST Debt	5.2%	1.25%	0.06%
2	LT Debt	45.7%	6.19%	2.83%
3	Equity	49.2%	9.80%	4.82%
4		100.0%		7.71%

ATMOS ENERGY CORPORATION
 KENTUCKY SYSTEM DEVELOPMENT RIDER PROPOSAL
 SURCHARGE CALCULATION OF FORCASTED ACTIVITY
 AS OF OCTOBER 2014 THROUGH SEPTEMBER 2015
 CUSTOMERS & VOLUMES

Line Number	Tariff	Description		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total	
Customers																	
1	G-1	Residential	Fiscal 2015 Bud	152,312	153,392	155,263	156,787	156,963	156,979	156,916	155,489	154,208	152,340	152,134	151,134	1,853,915	
2	G-1	Commercial Firm	Fiscal 2015 Bud	17,136	17,431	17,670	17,846	17,833	17,901	17,875	17,674	17,519	17,162	17,087	16,976	210,110	
3	G-1	Public Authority	Fiscal 2015 Bud	1,565	1,576	1,583	1,584	1,585	1,582	1,577	1,578	1,580	1,558	1,582	1,568	18,916	
4	G-1	Industrial Firm	Fiscal 2015 Bud	207	207	207	207	207	207	207	207	207	207	207	207	2,484	
5																-	
6	G-2	Commercial Interruptible	Fiscal 2015 Bud	3	3	3	3	3	3	3	3	3	3	3	3	36	
7	G-2	Industrial Interruptible	Fiscal 2015 Bud	6	6	6	6	6	6	6	6	6	6	6	6	72	
8	G-2	Public Authority Interruptible	Fiscal 2015 Bud	-	-	-	-	-	-	-	-	-	-	-	-	-	
9																-	
10	T-3	Transportation Interruptible	Fiscal 2015 Bud	64	64	60	58	59	61	64	62	62	62	62	63	741	
11	T-4	Transportation Firm	Fiscal 2015 Bud	122	122	122	121	121	122	122	121	121	121	118	120	1,453	
12				171,415	172,800	174,913	176,611	176,776	176,861	176,770	175,140	173,706	171,459	171,199	170,077	2,087,727	
13																-	
14	Volumes																
15																-	
16	G-2	Commercial Interruptible	Fiscal 2015 Bud	2,311	2,687	3,018	2,380	2,599	2,526	2,355	2,311	2,311	2,311	2,311	2,311	29,429	
17	G-2	Industrial Interruptible	Fiscal 2015 Bud	9,475	17,438	10,875	10,362	43,635	18,372	30,986	12,445	9,201	12,595	14,538	12,317	202,239	
18	G-2	Public Authority Interruptible	Fiscal 2015 Bud	-	-	-	-	-	-	-	-	-	-	-	-	-	
19																-	
20	T-3	Transportation Interruptible	Fiscal 2015 Bud	577,342	637,289	642,846	635,749	713,744	641,979	677,900	626,497	578,229	578,524	580,179	582,145	7,472,422	
21	T-4	Transportation Firm	Fiscal 2015 Bud	459,420	526,336	621,704	673,566	819,974	700,008	691,951	517,760	404,486	404,486	427,983	461,607	6,709,280	
22				1,048,548	1,183,750	1,278,444	1,322,057	1,579,951	1,362,885	1,403,192	1,159,012	994,226	997,915	1,025,010	1,058,380	14,413,371	

**ATMOS ENERGY CORPORATION
 KENTUCKY SYSTEM DEVELOPMENT RIDER PROPOSAL
 SURCHARGE CALCULATION OF FORCASTED ACTIVITY
 AS OF OCTOBER 2014 THROUGH SEPTEMBER 2015
 DEPRECIATION EXPENSE**

Line Number	Description	Land Rights	Mains	M&R Equip
1	Net Change to Gross Plant	\$ 2,262,260	\$ 14,054,286	\$ 297,231
2	Depreciation Rates	1.72%	2.45%	3.07%
3	Proforma Annual Depreciation Expense	\$ 38,911	\$ 344,330	\$ 9,125
4				
5	Current Year Change to Net Plant	\$ 2,262,260	\$ 14,054,286	\$ 297,231
6	Depreciation Rates	1.72%	2.45%	3.07%
7	Proforma Annual Depreciation Expense	\$ 38,911	\$ 344,330	\$ 9,125
8				
9	Depreciation Accrual to Accumulated Depreciation from Prior Approved Filing			
10	Accumulated Depreciation on Prior Additions (full years depreciation)			
11	Accumulated Depreciation on Current Additions (half-year convention)			
12				
13	Depreciation Accrual to Accumulated Depreciation			

Total

\$ 392,366

\$ 392,366

\$ -
-

196,183

\$ 196,183

ATMOS ENERGY CORPORATION
KENTUCKY SYSTEM DEVELOPMENT RIDER PROPOSAL
SURCHARGE CALCULATION OF FORCASTED ACTIVITY
AS OF OCTOBER 2014 THROUGH SEPTEMBER 2015
ADDITIONS

<u>Line Number</u>	<u>Description</u>	<u>Land Rights</u>	<u>Mains</u>	<u>M&R Equip.</u>
1	Current Year: 2015	2,262,260	14,054,286	297,231
2				
3	Total Additions	\$ 2,262,260	\$ 14,054,286	\$ 297,231

Total

16,613,778

\$ 16,613,778

**NOTICE OF PROPOSED CHANGES IN GAS TARIFFS
WHICH WILL RESULT IN INCREASED CHARGES**

Notice is given that Amos Energy Corporation (“Atmos Energy”), a public utility furnishing natural gas service within the Commonwealth of Kentucky, on the 30th day of July, 2014 pursuant to Kentucky Revised Statute 278.180 and the Rules of the Public Service Commission of Kentucky, respecting tariffs, filed its notice to the Kentucky Public Service Commission (“KPSC”), proposing to change its gas rates effective November 1, 2014.

The present and proposed rates charged in all territory served by Atmos Energy are as follows:

Rate Classifications	Present Rates (Effective August 1, 2014)				Proposed Rates		Rate Change	
	Charge		Unit		Charge		Increase / (Decrease)	
	Charge	Unit	Charge	Unit	\$ Change	% Change		
Rate G–1, General Sales Service								
<u>Residential Service</u>								
Monthly Base Charge:	\$16.00	Per meter	\$16.67	Per meter	\$0.67		4.19%	
Commodity Charge								
First 300 Mcf or less per month	\$7.9879	Per/Mcf ¹	\$7.9879	Per/Mcf ¹	\$0.0000		0.00%	
Next 14,700 Mcf per month	\$7.5499	Per/Mcf	\$7.5499	Per/Mcf	\$0.0000		0.00%	
Over 15,000 Mcf per month*	\$7.2899	Per/Mcf	\$7.2899	Per/Mcf	\$0.0000		0.00%	
Minimum Charge: The Base Charge								
<u>Non-Residential Service</u>								
Monthly Base Charge:	\$40.00	Per meter	\$42.11	Per meter	\$2.11		5.28%	

Commodity Charge						
First 300 Mcf or less per month	\$7.9879	Per/Mcf	\$7.9879	Per/Mcf	\$0.0000	0.00%
Next 14,700 Mcf per month	\$7.5499	Per/Mcf	\$7.5499	Per/Mcf	\$0.0000	0.00%
Over 15,000 Mcf per month*	\$7.2899	Per/Mcf	\$7.2899	Per/Mcf	\$0.0000	0.00%
Minimum Charge: The Base Charge						

Rate G-2, Interruptible Sales Service

Monthly Base Charge:	\$350.00	Per delivery point	\$363.09	Per delivery point	\$13.09	3.74%
----------------------	----------	--------------------	----------	--------------------	---------	-------

Commodity Charge

First 15,000 Mcf or less per month	\$6.1736	Per/Mcf	\$6.1939	Per/Mcf	\$0.0203	0.33%
Over 15,000 Mcf per month	\$5.9136	Per/Mcf	\$5.9136	Per/Mcf	\$0.0000	0.00%
Minimum Charge: The Base Charge plus any Transportation Fee and EFM facilities charge						

Rate T-3, Interruptible Transportation Service

Transportation only service

Monthly Base Charge:

Meter Charge	\$350.00	Per meter	\$360.81	Per meter	\$10.81	3.09%
--------------	----------	-----------	----------	-----------	---------	-------

Administrative Charge	\$50.00		\$50.00		\$0.00	0.0%
Commodity Charge						
First 15,000 Mcf or less per month	\$0.7900	Per Mcf	\$0.8119	Per Mcf	\$0.0219	2.77%
Over 15,000 Mcf per month	\$0.5300	Per Mcf	\$0.5447	Per Mcf	\$0.0147	2.77%
Rate T-4, Firm						
Transportation Service						
Transportation only service						
Monthly Base Charge:						
Meter Charge	\$350.00	Per meter	\$360.32	Per meter	\$10.32	2.95%
Administrative Charge	\$50.00		\$50.00		\$0.00	0.0%
Commodity Charge						
First 300 Mcf or less per month	\$1.3180	Per Mcf	\$1.3529	Per Mcf	\$0.0349	2.65%
Next 14,700 Mcf per month	\$0.8800	Per Mcf	\$0.9033	Per Mcf	\$0.0233	2.65%
Over 15,000 Mcf per month*	\$0.6200	Per Mcf	\$0.6364	Per Mcf	\$0.0164	2.65%
Special Charges						
Turn on new service with meter set	\$34.00		\$34.00		\$0.00	0.0%
Turn on service, shut in test required	\$23.00		\$23.00		\$0.00	0.0%
Turn on service, meter read only required						
Reconnect delinquent	\$39.00		\$39.00		\$0.00	0.0%

service				
Reconnect service off temporarily at customer request				
Termination or field collection charge				
Meter test charge	\$20.00	\$20.00	\$0.00	0.0%
Optional facilities for Electronic Flow Measurement				
Class 1 EFM	\$75.00	\$75.00	\$0.00	0.0%
Class 2 EFM	\$175.00	\$175.00	\$0.00	0.0%
Seasonal Charge	\$65.00	\$65.00	\$0.00	0.0%
Returned Check charge	\$25.00	\$25.00	\$0.00	0.0%
Late payment charge (G-1 only)	5%	5%	\$0.00	0.0%
Read meter	\$12.00	\$12.00	\$0.00	0.0%
Special meter reading charge	No charge	No charge		
¹ Mcf = 1,000 cubic feet				

The change in rates is based on a proposed new tariff provision:

A System Development Rider (SDR) applicable to all customers receiving gas service under Atmos' Rate Schedules G-1, G-2, T-3 and T-4. The Rider is designed to encourage economic development and job growth by allowing Atmos to recover operational expenses, capital expenditures or both associated with the expansion and/or improvement of infrastructure to

existing and/or new service areas not otherwise feasible. Atmos may expend up to \$5,000,000 annually for such projects or additional amounts subject to Public Service Commission approval.

The tariff also sets forth the mechanism for calculating the SDR revenue requirement.

All other charges not specifically mentioned herein shall remain the same as those presently in effect. The proposed rates will result in an overall approximate increase in the amount of \$2,067,352 or 2.93% with increases of approximately \$1,247,156 or 2.93% for residential consumers, and \$487,943 or 2.93% for commercial consumers, and approximately \$332,253 or 2.93% for industrial consumers. Charges from other gas revenue will not increase. The average monthly bill for residential consumers will increase approximately \$0.67 or 1.13%. The average monthly bill for commercial consumers will increase approximately \$2.11 or 0.38%. The average monthly bill for industrial customers will increase approximately \$59.55 or 1.86%. The impact on each customer's average bill will vary according to individual consumption or transportation levels. However, this impact can be determined by each customer by applying the proposed rates listed above to their respective average consumption or transportation levels.

The rates contained in this notice are the rates proposed by Atmos Energy Corporation, however, the KPSC may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for customers other than the rates included in this notice.

Any corporation, association, or person with a substantial interest in this matter may by written request to the KPSC within thirty (30) days after publication or mailing of this notice of the proposed rate changes, request to intervene; intervention may be granted beyond the thirty (30) day period for good cause shown. Requests to intervene should set forth the grounds for the request including the status and interest of the party and be submitted to the KPSC at the address listed below. Any person who has been granted intervention by the Commission may obtain copies of the rate application and any other filings made by the utility from the utility's website or by contacting Atmos at the address listed below or from the KPSC's office or website listed below.

Any person may obtain a copy of the application, testimony or other documents or examine the rate application and any related filings at the offices of Atmos listed below or at its website or the Commission office or its website listed below. Written comments regarding the proposed rate may be submitted to the Public Service Commission by mail or through the Public Service Commission's web site. A copy of the application and all related documents are available for public review at the offices and websites of Atmos and the KPSC listed below:

Atmos Energy Corporation
Attention: Mr. Mark A. Martin
3275 Highland Pointe Drive
Owensboro, KY 42303
(270) 685-8000
Mark.Martin@atmosenergy.com
www.atmosenergy.com

Atmos Energy Corporation has the following local offices:

Atmos Energy
3275 Highland Pointe Drive
Owensboro, KY 42303

Atmos Energy
449 Whirlaway Drive
Danville, KY 40422

Atmos Energy
638 W. Broadway
Madisonville, KY 42431

Atmos Energy
2850 Russellville Road
Bowling Green, KY 42101

Atmos Energy
1833 E 9th Street
Hopkinsville, KY 42240

Atmos Energy
3034 Parker Street
Paducah, KY 42003

Atmos Energy
200 N Broadway
Glasgow, KY 42141

Atmos Energy
410 E Main Street
Campbellsville, KY 42718

Atmos Energy
105 Hudson Blvd
Shelbyville, KY 40065

Atmos Energy
900 Commonwealth Drive
Mayfield, KY 42066

Atmos Energy
307 Marion Road
Princeton, KY 42445

Public Service Commission of Kentucky
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602
(502) 564-3940
www.psc.ky.gov



Atmos Energy Corporation

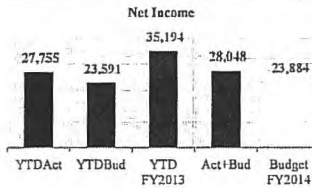
KY/Mid-States Division

Summary - Financial Results

For the Period Ended August 31, 2014

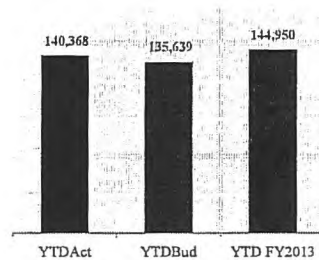
(\$000's)

SUMMARY



	MTD				QTD				YTD			
	Actual	Budget	Fav/Unfav	FY2013	Actual	Budget	Fav/Unfav	FY2013	Actual	Budget	Fav/Unfav	FY2013
Net Income	381	284	97	(70)	886	392	494	(293)	27,755	23,591	4,164	35,194
Gross Profit	8,809	8,815	(6)	8,055	17,698	17,491	207	15,966	140,368	135,639	4,729	144,950
O&M exc Bad Debt	3,931	3,936	5	4,109	7,812	8,076	264	8,358	46,575	47,137	562	48,939
Capital Expenditures	8,066	5,229	(2,837)	8,733	16,371	10,931	(5,440)	14,893	74,851	67,911	(6,940)	68,744

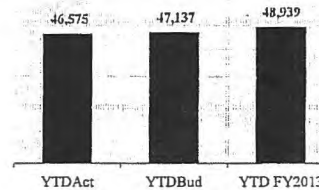
GROSS PROFIT



MTD: Weather related margins are (\$4k) unfavorable. Consumption related margins are a positive \$111k because of higher than budgeted heat load factors. Budgeted customer variance is \$37k favorable. Other operating revenue is \$26k better than budget and transportation margins are (\$15k) lower than budget. Margins related to price, rate case variance, banner adjustments, and oracle additions are (\$161k) worse than budget.

YTD: Weather related margins are (\$677k) unfavorable. Consumption related margins are a positive \$5,031 because of higher than budgeted heat load factors. Budgeted customer variance is \$1,250k favorable. Other operating revenue is \$907k better than budget and transportation margins are \$712k better than budget. Margins related to price, rate case variance, banner adjustments, and oracle additions are (\$2,496k) worse than budget.

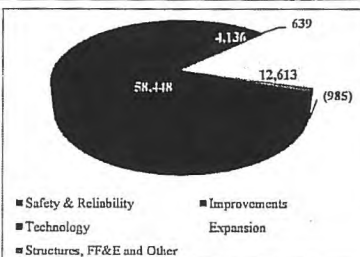
O & M excl BAD DEBT



MTD: SSU billing unfavorable \$79k, SSU direct favorable (\$74k), Labor favorable (\$87k) due to cap rate, Benefits favorable (\$111k) due to variance/cap rates, Outside services unfavorable \$207k due to contract meter reading/line locates/Blacksburg incident, Vehicles favorable (\$38k) due to lower leases/operating costs/sale of vehicles and Dues unfavorable \$32k due to timing.

YTD: SSU billing unfavorable \$343k, SSU direct favorable (\$1,864k), Labor favorable (\$104k) due mainly to cap rates, Benefits favorable (\$1,696k) variance, Employee welfare unfavorable \$569k VPP/MIP, Outside services unfavorable \$2,359k due to Blacksburg incident/KY rate case/contract meter reading/line locates and Vehicles favorable (\$229k) due to sale of vehicles/lower leases/operating expenses.

CAPITAL EXPENDITURES



MTD: Growth unfavorable \$398k due to TN/VA functionals and Nolensville, System Improvements unfavorable \$2,073k due to KY 8" improvement, Public Improvements unfavorable \$421k due to Timing of Joe B Jackson in TN, Structures unfavorable \$397k due to timing in KY, System Integrity unfavorable \$519k due to functionals/bare steel/Fall Creek timing in TN and OH/accr favorable (\$1,122k).

YTD: Growth unfavorable \$2,518k due to TN/VA/KY functionals & Red Sun Farms in VA, System Integrity unfavorable \$7,370k due to functionals in KY/TN, KY PRP & Old Nashville Hwy in TN, System Improvements unfavorable \$1,748k due to KY 8" improvement and OH/accr favorable (\$4,267k).



Atmos Energy Corporation KY/Mid-States Division Income Statement - Comparative

For the Period Ended August 31, 2014

(\$000's)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Gross profit:												
Delivered gas	6,745	6,762	(17)	6,277	13,667	13,525	142	12,444	113,554	110,444	3,110	120,208
Transportation	1,881	1,896	(15)	1,693	3,675	3,666	9	3,370	23,129	22,417	712	21,935
Other revenue	183	157	26	85	356	300	56	152	3,685	2,778	907	2,807
Total gross profit	8,809	8,815	(6)	8,055	17,698	17,491	207	15,966	140,368	135,639	4,729	144,950
Operating expenses:												
Operation & maintenance	3,931	3,936	5	4,109	7,812	8,076	264	8,358	46,575	47,137	562	48,939
Provision for bad debts	33	33	0	36	67	67	0	71	1,052	539	(513)	840
Total O&M expense	3,964	3,969	5	4,145	7,879	8,143	264	8,429	47,627	47,676	49	49,779
Depreciation & amortization	2,539	2,516	(23)	2,290	5,040	4,990	(50)	4,548	26,261	26,454	193	26,352
Taxes, other than income	933	943	10	847	1,805	1,881	76	1,714	10,268	10,854	586	11,203
Total operating expenses	7,436	7,428	(8)	7,282	14,724	15,014	290	14,691	84,156	84,984	828	87,334
Operating income	1,373	1,387	(14)	773	2,974	2,477	497	1,275	56,212	50,655	5,557	57,616
Other income (expense):												
Interest, net	(1,131)	(1,162)	31	(1,175)	(2,291)	(2,324)	33	(2,362)	(12,495)	(12,874)	379	(13,364)
Miscellaneous income (expense), net	384	250	134	325	778	504	274	646	2,783	1,821	962	13,388
Total other income (expense)	(747)	(912)	165	(850)	(1,513)	(1,820)	307	(1,716)	(9,712)	(11,053)	1,341	24
Income (loss) before income taxes	626	475	151	(77)	1,461	657	804	(441)	46,500	39,602	6,898	57,640
Provision/(Benefit) for income taxes	245	191	(54)	(7)	575	265	(310)	(148)	18,745	16,011	(2,734)	22,446
Net income (loss)	381	284	97	(70)	886	392	494	(293)	27,755	23,591	4,164	35,194
EBIT - Actual	1,757	1,637	120	1,098	3,752	2,981	771	1,921	58,995	52,476	6,519	71,004
Degree Days - % of Normal <i>(adjusted for WNA States)</i>	0%			0%	0%			0%	100%			101%



Atmos Energy Corporation KY/Mid-States Division Total Spending- Comparative

For the Period Ended August 31, 2014
(\$000's)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Labor	864	1,028	164	977	1,855	2,145	290	2,012	10,647	11,665	1,018	12,266
Benefits	443	584	141	614	569	1,216	647	1,241	4,573	6,614	2,041	6,589
Employee Welfare	47	42	(5)	42	77	83	6	83	1,582	1,006	(576)	1,099
Insurance	44	41	(3)	32	82	82	0	78	452	442	(10)	444
Rent, Maint., & Utilities	122	136	14	144	252	272	20	283	1,533	1,539	6	1,729
Vehicles & Equip	139	176	37	131	280	338	58	263	1,660	1,889	229	1,912
Materials & Supplies	103	100	(3)	132	233	201	(32)	231	1,180	1,126	(54)	1,184
Information Technologies	1	12	11	1	4	24	20	10	77	145	68	119
Telecom	48	70	22	62	113	140	27	123	681	796	115	758
Marketing	72	51	(21)	99	141	101	(40)	113	517	516	(1)	506
Directors & Shareholders & PR	-	1	1	-	-	1	1	-	1	6	5	1
Dues & Donations	44	13	(31)	8	62	26	(36)	31	338	343	5	336
Print & Postages	3	4	1	3	6	8	2	6	37	43	6	44
Travel & Entertainment	90	70	(20)	89	188	144	(44)	172	962	905	(57)	1,084
Training	8	9	1	5	10	18	8	12	77	125	48	82
Outside Services	777	564	(213)	649	1,650	1,131	(519)	1,454	8,571	6,709	(1,862)	8,043
Miscellaneous	26	14	(12)	32	31	26	(5)	50	27	(49)	(76)	115
	<u>2,831</u>	<u>2,915</u>	<u>84</u>	<u>3,020</u>	<u>5,553</u>	<u>5,956</u>	<u>403</u>	<u>6,162</u>	<u>32,915</u>	<u>33,820</u>	<u>905</u>	<u>36,311</u>
Expense Billings	<u>1,100</u>	<u>1,021</u>	<u>(79)</u>	<u>1,089</u>	<u>2,259</u>	<u>2,120</u>	<u>(139)</u>	<u>2,196</u>	<u>13,660</u>	<u>13,317</u>	<u>(343)</u>	<u>12,628</u>
	<u>3,931</u>	<u>3,936</u>	<u>5</u>	<u>4,109</u>	<u>7,812</u>	<u>8,076</u>	<u>264</u>	<u>8,358</u>	<u>46,575</u>	<u>47,137</u>	<u>562</u>	<u>48,939</u>
Provision for Bad Debt	<u>33</u>	<u>33</u>	<u>0</u>	<u>36</u>	<u>67</u>	<u>67</u>	<u>0</u>	<u>71</u>	<u>1,052</u>	<u>539</u>	<u>(513)</u>	<u>840</u>
Total O&M Expense	<u>3,964</u>	<u>3,969</u>	<u>5</u>	<u>4,145</u>	<u>7,879</u>	<u>8,143</u>	<u>264</u>	<u>8,429</u>	<u>47,627</u>	<u>47,676</u>	<u>49</u>	<u>49,779</u>
Total Capital Expenditures	<u>8,066</u>	<u>5,229</u>	<u>(2,837)</u>	<u>8,733</u>	<u>16,371</u>	<u>10,931</u>	<u>(5,440)</u>	<u>14,893</u>	<u>74,851</u>	<u>67,911</u>	<u>(6,940)</u>	<u>68,744</u>
Total Spending	<u>12,030</u>	<u>9,198</u>	<u>(2,832)</u>	<u>12,878</u>	<u>24,250</u>	<u>19,074</u>	<u>(5,176)</u>	<u>23,322</u>	<u>122,478</u>	<u>115,587</u>	<u>(6,891)</u>	<u>118,523</u>
Labor Capitalization Rates	59.7%	54.7%	5.0%	58.0%	59.0%	54.8%	4.2%	57.4%	56.1%	54.8%	1.3%	54.4%



Atmos Energy Corporation

KY/Mid-States Division

Statistical Information

For the Period Ended August 31, 2014
(*\$000's*)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Volumes (Mmcf):												
Residential	309	289	20	305	655	578	77	623	20,953	17,649	3,304	20,458
Commercial	380	362	18	370	788	725	63	722	12,891	10,618	2,273	12,174
Industrial	145	134	11	152	301	260	41	312	2,725	2,432	293	3,447
Public Authorities	36	31	5	35	79	62	17	88	1,365	1,238	127	1,340
Irrigation	-	-	0	-	-	-	0	-	-	-	0	-
Unbilled	20	(1)	21	8	36	(3)	39	8	24	(11)	35	171
Total gas distribution volumes	890	815	75	870	1,859	1,622	237	1,753	37,958	31,926	6,032	37,590
Transportation volumes	3,007	3,390	(383)	3,258	5,971	6,547	(576)	6,108	38,246	38,652	(406)	37,817
Total throughput	3,897	4,205	(308)	4,128	7,830	8,169	(339)	7,861	76,204	70,578	5,626	75,407
Customers (000's):												
Residential	286	283	3	289	288	283	5	289	292	287	5	319
Commercial	37	36	1	37	37	36	1	37	38	37	1	40
Industrial	1	1	0	1	1	1	0	1	1	1	0	1
Public Authorities	2	2	0	2	2	2	0	2	2	2	0	2
Irrigation	-	-	0	-	-	-	0	-	-	-	0	-
Total Customers	326	322	4	329	328	322	6	329	333	327	6	362
Employee Count (12-month average)	407			438								
Customer per Employee	802			751								

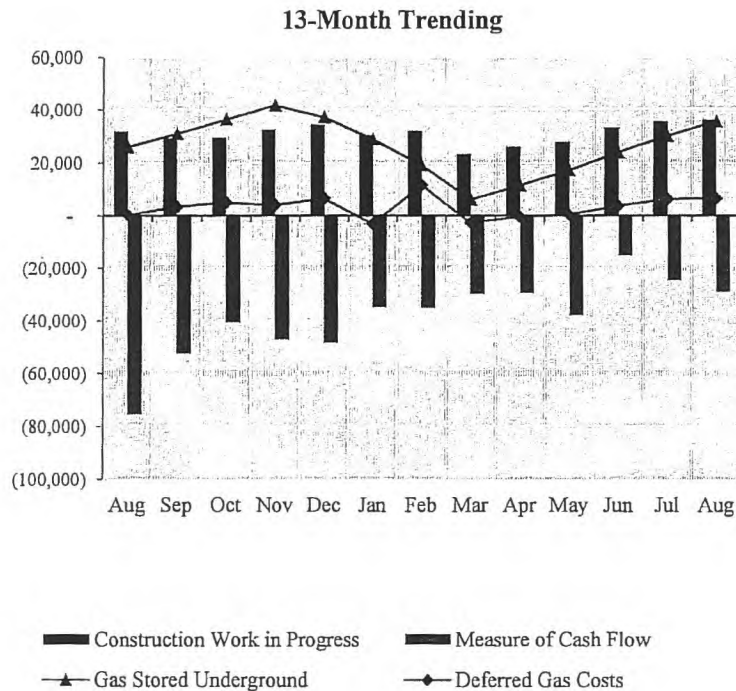


Atmos Energy Corporation

KY/Mid-States Division

Key Balance Sheet Accounts

For the Period Ended August 31, 2014
(\$000's)



Total PP&E	985,433
Net Prop, Plant and Equip	614,168
Construction Work in Progress	36,029
Deferred Gas Costs	6,574
Accts Rec, Less Allow for Doubtful Accts	22,979
Accts Rec, Over 90 Days	
Gas Stored Underground	35,575
Customers' Deposits	6,673
Bad Debt Provision as a Percentage of Revenues	0.31%
Measure of Cash Flow *	(28,985)
Change in cash flow from prior year August	46,611

Comments:

CWIP: Up slightly year over year and in line with previous month, continues to trend with higher capital spending during the last half of the fiscal year.

Deferred Gas Costs: Down month over month and in line with historical trends. Continue to maintain a good position during the summer months.

Gas stored underground: Up slightly month over month and year over year as injections continue during the summer months.

Change in cash flow: Change attributable to change in value of gas stored underground (\$5k), net income (\$5k), deferred credits \$6.6k, deferred charges (\$3.1k), change in capital spending (\$6.6k) and related deferred income taxes \$58.1k.

* *Note: Represents changes in working capital and other long-term accounts, less capital expenditures, depreciation, and deferred taxes. This measure is not representative of cash flows prepared in accordance with US GAAP.*



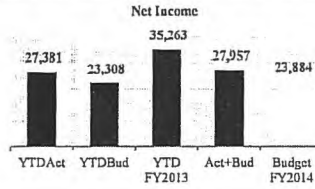
Atmos Energy Corporation

KY/Mid-States Division

Summary - Financial Results

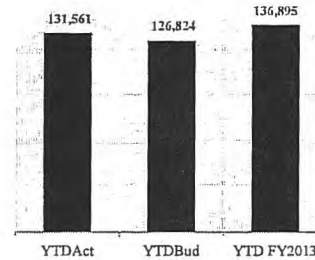
For the Period Ended July 31, 2014
(*\$000's*)

S U M M A R Y



	MTD				QTD				YTD			
	Actual	Budget	Fav/Unfav	FY2013	Actual	Budget	Fav/Unfav	FY2013	Actual	Budget	Fav/Unfav	FY2013
Net Income	507	109	398	(223)	507	109	398	(223)	27,381	23,308	4,073	35,263
Gross Profit	8,890	8,676	214	7,911	8,890	8,676	214	7,911	131,561	126,824	4,737	136,895
O&M exc Bad Debt	3,879	4,141	262	4,248	3,879	4,141	262	4,248	42,639	43,201	562	44,831
Capital Expenditures	8,304	5,702	(2,602)	6,160	8,304	5,702	(2,602)	6,160	66,785	62,682	(4,103)	60,011

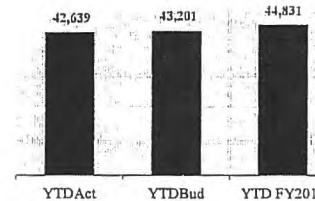
G R O S S P R O F I T



MTD: Weather related margins are (\$26k) unfavorable. Consumption related margins are a positive \$186k because of higher than budgeted heat load factors. Budgeted customer variance is \$121k favorable. Other operating revenue is \$30k better than budget and transportation margins are \$23k better than budget. Margins related to price, rate case variance, banner adjustments, and oracle additions are (\$122k) worse than budget.

YTD: Weather related margins are (\$673k) unfavorable. Consumption related margins are a positive \$4,920k because of higher than budgeted heat load factors. Budgeted customer variance is \$1,213k favorable. Other operating revenue is \$881k better than budget and transportation margins are \$726k better than budget. Margins related to price, rate case variance, banner adjustments, and oracle additions are (\$2,334k) worse than budget.

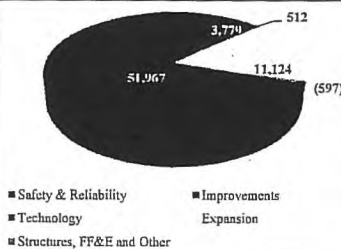
O & M exc BAD DEBT



MTD: SSU billing unfavorable \$60k, SSU direct favorable (\$119k), Labor favorable (\$41k) due to cap rate/OT, Benefits favorable (\$474k) due to variance and Outside services unfavorable \$306k due to contract meter reading/Blacksburg incident/line locates.

YTD: SSU billing unfavorable \$264k, SSU direct unfavorable (\$1,791k), Labor favorable (\$17k) due to cap rate/SB/moving, Benefits favorable (\$1,608) variance, Employee welfare unfavorable \$564 VPP/MIP, Outside services unfavorable \$2,151k due to Blacksburg incident/KY rate case/contract meter reading/line locates and Vehicles favorable (\$191k) due to sale of vehicles/lower leases.

C A P I T A L E X P E N D I T U R E S



MTD: Growth unfavorable \$357k due to functionals/Red Sun Farms in VA & miscellaneous growth projects in KY, Structures unfavorable \$491k due to timing of KY buildings in Paducah/Campbellsville, System Improvements unfavorable \$1,848k due to timing of KY WMR and 6" tie-in in TN, System Integrity unfavorable \$4,410k due to KY PRP/Fruit Hill Phase II & well workover timing and OH/accr favorable (\$4,869k).

YTD: Growth unfavorable \$2,119k due to TN/VA/KY functionals, misc growth projects in KY & Red Sun Farms in VA, System Integrity unfavorable \$6,851k due to functionals in KY/TN, KY PRP & Old Nashville Hwy in TN, Public Improvements/Structures/System Improvements a combined favorable (\$1,355k) due to timing and OH/accr favorable (\$3,175k).



Atmos Energy Corporation KY/Mid-States Division Income Statement - Comparative

For the Period Ended July 31, 2014

(\$000's)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Gross profit:												
Delivered gas	6,922	6,763	159	6,167	6,922	6,763	159	6,167	106,810	103,682	3,128	113,931
Transportation	1,794	1,770	24	1,677	1,794	1,770	24	1,677	21,248	20,521	727	20,243
Other revenue	174	143	31	67	174	143	31	67	3,503	2,621	882	2,721
Total gross profit	8,890	8,676	214	7,911	8,890	8,676	214	7,911	131,561	126,824	4,737	136,895
Operating expenses:												
Operation & maintenance	3,879	4,141	262	4,248	3,879	4,141	262	4,248	42,639	43,201	562	44,831
Provision for bad debts	34	33	(1)	35	34	33	(1)	35	1,019	506	(513)	804
Total O&M expense	3,913	4,174	261	4,283	3,913	4,174	261	4,283	43,658	43,707	49	45,635
Depreciation & amortization	2,501	2,473	(28)	2,259	2,501	2,473	(28)	2,259	23,722	23,938	216	24,062
Taxes, other than income	872	938	66	867	872	938	66	867	9,335	9,911	576	10,356
Total operating expenses	7,286	7,585	299	7,409	7,286	7,585	299	7,409	76,715	77,556	841	80,053
Operating income	1,604	1,091	513	502	1,604	1,091	513	502	54,846	49,268	5,578	56,842
Other income (expense):												
Interest, net	(1,160)	(1,162)	2	(1,187)	(1,160)	(1,162)	2	(1,187)	(11,364)	(11,712)	348	(12,189)
Miscellaneous income (expense), net	394	254	140	321	394	254	140	321	2,399	1,571	828	13,063
Total other income (expense)	(766)	(908)	142	(866)	(766)	(908)	142	(866)	(8,965)	(10,141)	1,176	874
Income (loss) before income taxes	838	183	655	(364)	838	183	655	(364)	45,881	39,127	6,754	57,716
Provision/(Benefit) for income taxes	331	74	(257)	(141)	331	74	(257)	(141)	18,500	15,819	(2,681)	22,453
Net income (loss)	507	109	398	(223)	507	109	398	(223)	27,381	23,308	4,073	35,263
EBIT - Actual	1,998	1,345	653	823	1,998	1,345	653	823	57,245	50,839	6,406	69,905
Degree Days - % of Normal <i>(adjusted for WNA States)</i>	0%			0%	0%			101%	100%			101%



Atmos Energy Corporation KY/Mid-States Division Total Spending- Comparative

For the Period Ended July 31, 2014
(*\$000's*)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Labor	992	1,117	125	1,035	992	1,117	125	1,035	9,783	10,637	854	11,289
Benefits	126	632	506	627	126	632	506	627	4,130	6,030	1,900	5,975
Employee Welfare	31	42	11	42	31	42	11	42	1,535	965	(570)	1,058
Insurance	38	41	3	46	38	41	3	46	408	400	(8)	412
Rent, Maint., & Utilities	130	136	6	139	130	136	6	139	1,411	1,403	(8)	1,585
Vehicles & Equip	141	162	21	132	141	162	21	132	1,521	1,712	191	1,781
Materials & Supplies	130	101	(29)	99	130	101	(29)	99	1,077	1,026	(51)	1,053
Information Technologies	3	12	9	9	3	12	9	9	75	134	59	118
Telecom	65	70	5	61	65	70	5	61	633	725	92	696
Marketing	69	50	(19)	14	69	50	(19)	14	445	465	20	407
Directors & Shareholders & PR	-	1	1	-	-	1	1	-	1	5	4	1
Dues & Donations	18	13	(5)	22	18	13	(5)	22	294	330	36	328
Print & Postages	3	4	1	2	3	4	1	2	34	39	5	41
Travel & Entertainment	98	73	(25)	83	98	73	(25)	83	872	835	(37)	995
Training	2	9	7	7	2	9	7	7	69	117	48	77
Outside Services	873	567	(306)	805	873	567	(306)	805	7,794	6,145	(1,649)	7,394
Miscellaneous	1	12	11	18	1	12	11	18	(3)	(63)	(60)	82
	<u>2,720</u>	<u>3,042</u>	<u>322</u>	<u>3,141</u>	<u>2,720</u>	<u>3,042</u>	<u>322</u>	<u>3,141</u>	<u>30,079</u>	<u>30,905</u>	<u>826</u>	<u>33,292</u>
Expense Billings	1,159	1,099	(60)	1,107	1,159	1,099	(60)	1,107	12,560	12,296	(264)	11,539
	<u>3,879</u>	<u>4,141</u>	<u>262</u>	<u>4,248</u>	<u>3,879</u>	<u>4,141</u>	<u>262</u>	<u>4,248</u>	<u>42,639</u>	<u>43,201</u>	<u>562</u>	<u>44,831</u>
Provision for Bad Debt	34	33	(1)	35	34	33	(1)	35	1,019	506	(513)	804
Total O&M Expense	3,913	4,174	261	4,283	3,913	4,174	261	4,283	43,658	43,707	49	45,635
Total Capital Expenditures	8,304	5,702	(2,602)	6,160	8,304	5,702	(2,602)	6,160	66,785	62,682	(4,103)	60,011
Total Spending	12,217	9,876	(2,341)	10,443	12,217	9,876	(2,341)	10,443	110,443	106,389	(4,054)	105,646
Labor Capitalization Rates	58.3%	54.9%	3.5%	56.9%	58.3%	54.9%	3.5%	56.9%	55.8%	54.8%	1.0%	54.1%



Atmos Energy Corporation KY/Mid-States Division Statistical Information

For the Period Ended July 31, 2014
(*\$000's*)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Volumes (Mmcf):												
Residential	347	290	57	317	347	290	57	317	20,644	17,360	3,284	20,153
Commercial	407	363	44	352	407	363	44	352	12,511	10,256	2,255	11,804
Industrial	156	126	30	160	156	126	30	160	2,579	2,298	281	3,295
Public Authorities	42	31	11	53	42	31	11	53	1,328	1,207	121	1,305
Irrigation	-	-	0	-	-	-	0	-	-	-	0	-
Unbilled	18	(3)	21	2	18	(3)	21	2	6	(11)	17	163
Total gas distribution volumes	970	807	163	884	970	807	163	884	37,068	31,110	5,958	36,720
Transportation volumes	2,964	3,157	(193)	2,850	2,964	3,157	(193)	2,850	35,239	35,262	(23)	34,559
Total throughput	3,934	3,964	(30)	3,734	3,934	3,964	(30)	3,734	72,307	66,372	5,935	71,279
Customers (000's):												
Residential	289	284	5	289	289	284	5	289	293	288	5	322
Commercial	37	36	1	37	37	36	1	37	38	38	0	40
Industrial	1	1	0	1	1	1	0	1	1	1	0	1
Public Authorities	2	2	0	2	2	2	0	2	2	2	0	2
Irrigation	-	-	0	-	-	-	0	-	-	-	0	-
Total Customers	329	323	6	329	329	323	6	329	334	329	5	365
Employee Count (12-month average)	406			444								
Customer per Employee	810			742								



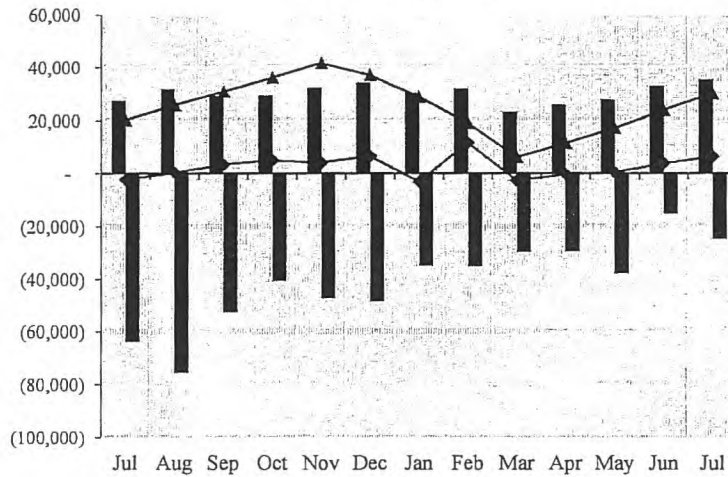
Atmos Energy Corporation

KY/Mid-States Division

Key Balance Sheet Accounts

For the Period Ended July 31, 2014
(\$000's)

13-Month Trending



Construction Work in Progress
 Measure of Cash Flow
 Gas Stored Underground
 Deferred Gas Costs

Total PP&E	978,566
Net Prop, Plant and Equip	608,480
Construction Work in Progress	35,506
Deferred Gas Costs	6,351
Accts Rec, Less Allow for Doubtful Accts	22,144
Accts Rec, Over 90 Days	
Gas Stored Underground	30,026
Customers' Deposits	6,548
Bad Debt Provision as a Percentage of Revenues	0.31%
Measure of Cash Flow *	(24,666)
Change in cash flow from prior year July	39,227

Comments:

CWIP: Up slightly month over month and year over year due to several large projects, trending with higher capital spending during the last half of the fiscal year.

Deferred Gas Costs: Up month over month and year over year, maintain a good position for the summer months.

Gas stored underground: Up month over month and year over year as injections continue during the summer months.

Change in cash flow: Change attributable to change in current liabilities 18.7k, value of gas stored underground (\$18.7k), net income (7.9k), deferred credits \$8.2k, deferred gas costs (\$5.3k), deferred charges (\$4.4k), change in capital spending (\$6.8k) and related deferred income tax \$54.5k.

* *Note: Represents changes in working capital and other long-term accounts, less capital expenditures, depreciation, and deferred taxes. This measure is not representative of cash flows prepared in accordance with US GAAP.*



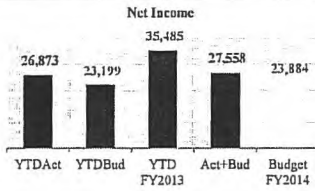
Atmos Energy Corporation

KY/Mid-States Division

Summary - Financial Results

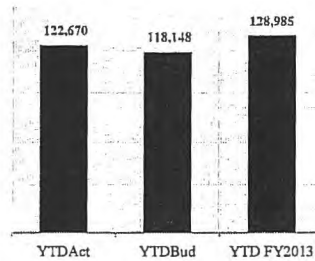
For the Period Ended June 30, 2014
(*\$000's*)

S U M M A R Y



	MTD				QTD				YTD			
	Actual	Budget	Fav/Unfav	FY2013	Actual	Budget	Fav/Unfav	FY2013	Actual	Budget	Fav/Unfav	FY2013
Net Income	132	363	(231)	(123)	1,904	2,062	(158)	7,007	26,873	23,199	3,674	35,485
Gross Profit	8,641	8,975	(334)	8,378	29,555	29,255	300	27,832	122,670	118,148	4,522	128,985
O&M exc Bad Debt	3,830	3,979	149	3,783	13,060	12,664	(396)	12,604	38,760	39,060	300	40,582
Capital Expenditures	7,880	6,658	(1,222)	6,987	22,323	19,463	(2,860)	18,803	56,479	56,980	501	53,851

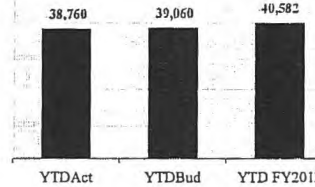
G R O S S P R O F I T



MTD: Weather related margins are (\$61k) unfavorable. Consumption related margins are a negative (\$195k) because of lower than budgeted heat load factors. Budgeted customer variance is \$116k favorable. Other operating revenue is \$26k better than budget and transportation margins are (\$47k) worse than budget. Margins related to price, rate case variance, banner adjustments, and oracle additions are (\$172k) worse than budget.

YTD: Weather related margins are (\$646k) unfavorable. Consumption related margins are a positive \$4,734k because of higher than budgeted heat load factors. Budgeted customer variance is \$1,092k favorable. Other operating revenue is \$852k better than budget and transportation margins are \$703k better than budget. Margins related to price, rate case variance, banner adjustments, and oracle additions are (\$2,212k) worse than budget.

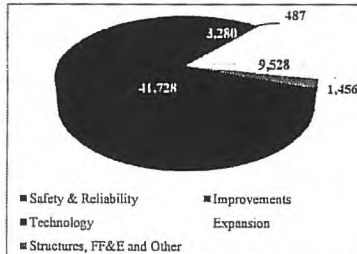
O & M e x c B A D D E B T



MTD: SSU billing unfavorable \$87k, SSU direct favorable (\$180k), Labor favorable (\$95k) due to PTO/cap rates, Benefits favorable (\$99k) due to variance/cap rates, Outside services unfavorable \$166k due to contract meter reading/line locates/Blacksburg incident, Employee welfare unfavorable \$30k due to restricted stock/timing of service awards, Rents/utilities favorable (\$10k) lower utilities/cap rates, Marketing favorable (\$9k) advertising/customer assistance, Vehicles favorable (\$25k) lower vehicle leases and Dues favorable (\$11k) timing.

YTD: SSU billing unfavorable \$204k, SSU direct favorable (\$1,672k), Labor unfavorable \$24k due to OT, Benefits favorable (\$1,110k) due to variance, Employee welfare unfavorable \$576k VPP/MIP, Outside services unfavorable \$1,845k due to VA incident/KY rate case/contract meter reading/line locates and Vehicles favorable (\$171k) due to sale of vehicles/lower leases.

C A P I T A L E X P E N D I T U R E S



MTD: System Integrity unfavorable \$1,011k due to functionals and PRP in KY, Public Improvements favorable (\$495k) due to timing of Joe B Jackson in TN & Bristow/Louisville Rd & North Dr & Glass Ave in KY, Structures favorable (\$244k) due to timing of buildings in KY and OH/accr unfavorable \$977k.

YTD: Growth unfavorable \$1,763k due to TN/VA/KY functionals, US Nitrogen in TN & timing of AIC for 31W in KY, Structures favorable (\$1,006k) due to timing of buildings in KY, System Improvements favorable (\$2,173k) due to redirected WMR dollars to upgrade project in KY & timing of Habit purchase project in KY, System Integrity unfavorable \$2,441k due to functionals in KY/TN, PRP in KY & Old Nashville Hwy in TN and Public Improvements favorable (\$810k) due to timing of Joe B Jackson in TN.



Atmos Energy Corporation KY/Mid-States Division Income Statement - Comparative

For the Period Ended June 30, 2014

(\$000's)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Gross profit:												
Delivered gas	6,658	6,971	(313)	6,602	22,955	22,957	(2)	22,342	99,887	96,919	2,968	107,764
Transportation	1,801	1,848	(47)	1,716	5,688	5,709	(21)	5,142	19,454	18,751	703	18,566
Other revenue	182	156	26	60	912	589	323	348	3,329	2,478	851	2,655
Total gross profit	8,641	8,975	(334)	8,378	29,555	29,255	300	27,832	122,670	118,148	4,522	128,985
Operating expenses:												
Operation & maintenance	3,830	3,979	149	3,783	13,060	12,664	(396)	12,604	38,760	39,060	300	40,582
Provision for bad debts	238	34	(204)	210	464	113	(351)	296	985	473	(512)	770
Total O&M expense	4,068	4,013	(55)	3,993	13,524	12,777	(747)	12,900	39,745	39,533	(212)	41,352
Depreciation & amortization	2,479	2,442	(37)	2,236	7,303	7,247	(56)	6,672	21,221	21,464	243	21,804
Taxes, other than income	954	973	19	834	3,004	2,852	(152)	2,762	8,462	8,972	510	9,489
Total operating expenses	7,501	7,428	(73)	7,063	23,831	22,876	(955)	22,334	69,428	69,969	541	72,645
Operating income	1,140	1,547	(407)	1,315	5,724	6,379	(655)	5,498	53,242	48,179	5,063	56,340
Other income (expense):												
Interest, net	(1,102)	(1,159)	57	(1,202)	(3,423)	(3,482)	59	(3,515)	(10,204)	(10,550)	346	(11,002)
Miscellaneous income (expense), net	442	221	221	235	1,132	565	567	9,568	2,004	1,315	689	12,741
Total other income (expense)	(660)	(938)	278	(967)	(2,291)	(2,917)	626	6,053	(8,200)	(9,235)	1,035	1,739
Income (loss) before income taxes	480	609	(129)	348	3,433	3,462	(29)	11,551	45,042	38,944	6,098	58,079
Provision/(Benefit) for income taxes	348	246	(102)	471	1,529	1,400	(129)	4,544	18,169	15,745	(2,424)	22,594
Net income (loss)	132	363	(231)	(123)	1,904	2,062	(158)	7,007	26,873	23,199	3,674	35,485
EBIT - Actual	1,582	1,768	(186)	1,550	6,856	6,944	(88)	15,066	55,246	49,494	5,752	69,081
Degree Days - % of Normal <i>(adjusted for WNA States)</i>	50%			0%	97%			101%	100%			101%



Atmos Energy Corporation KY/Mid-States Division Total Spending- Comparative

For the Period Ended June 30, 2014
(\$000's)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Labor	856	1,028	172	989	2,776	3,173	397	3,069	8,792	9,520	728	10,254
Benefits	456	584	128	516	1,325	1,799	474	1,769	4,004	5,398	1,394	5,348
Employee Welfare	72	41	(31)	55	657	163	(494)	163	1,504	923	(581)	1,016
Insurance	43	41	(2)	32	117	124	7	95	370	359	(11)	366
Rent, Maint., & Utilities	120	136	16	161	424	409	(15)	445	1,281	1,266	(15)	1,446
Vehicles & Equip	143	168	25	132	468	559	91	503	1,380	1,551	171	1,649
Materials & Supplies	112	100	(12)	87	338	301	(37)	335	947	925	(22)	953
Information Technologies	5	12	7	1	12	50	38	17	73	122	49	109
Telecom	61	72	11	62	190	223	33	223	569	655	86	635
Marketing	21	49	28	19	128	141	13	94	376	414	38	393
Directors & Shareholders & PR	-	1	1	-	1	2	1	1	1	5	4	1
Dues & Donations	17	29	12	33	66	59	(7)	61	276	317	41	305
Print & Postages	3	4	1	5	9	12	3	12	30	35	5	39
Travel & Entertainment	88	80	(8)	80	283	250	(33)	350	774	762	(12)	912
Training	7	9	2	5	28	27	(1)	31	67	107	40	70
Outside Services	714	588	(126)	560	2,190	1,780	(410)	1,826	6,921	5,578	(1,343)	6,589
Miscellaneous	1	13	12	83	(4)	36	40	171	(7)	(74)	(67)	65
	<u>2,719</u>	<u>2,955</u>	<u>236</u>	<u>2,820</u>	<u>9,008</u>	<u>9,108</u>	<u>100</u>	<u>9,165</u>	<u>27,358</u>	<u>27,863</u>	<u>505</u>	<u>30,150</u>
Expense Billings	<u>1,111</u>	<u>1,024</u>	<u>(87)</u>	<u>963</u>	<u>4,052</u>	<u>3,556</u>	<u>(496)</u>	<u>3,439</u>	<u>11,402</u>	<u>11,197</u>	<u>(205)</u>	<u>10,432</u>
	<u>3,830</u>	<u>3,979</u>	<u>149</u>	<u>3,783</u>	<u>13,060</u>	<u>12,664</u>	<u>(396)</u>	<u>12,604</u>	<u>38,760</u>	<u>39,060</u>	<u>300</u>	<u>40,582</u>
Provision for Bad Debt	<u>238</u>	<u>34</u>	<u>(204)</u>	<u>210</u>	<u>464</u>	<u>113</u>	<u>(351)</u>	<u>296</u>	<u>985</u>	<u>473</u>	<u>(512)</u>	<u>770</u>
Total O&M Expense	4,068	4,013	(55)	3,993	13,524	12,777	(747)	12,900	39,745	39,533	(212)	41,352
Total Capital Expenditures	7,880	6,658	(1,222)	6,987	22,323	19,463	(2,860)	18,803	56,479	56,980	501	53,851
Total Spending	11,948	10,671	(1,277)	10,980	35,847	32,240	(3,607)	31,703	96,224	96,513	289	95,203
Labor Capitalization Rates	58.7%	54.7%	4.0%	56.8%	57.0%	54.8%	2.2%	56.3%	55.5%	54.8%	0.7%	53.9%



Atmos Energy Corporation

KY/Mid-States Division

Statistical Information

For the Period Ended June 30, 2014
(\$000's)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Volumes (Mmcf):												
Residential	378	423	(45)	439	2,932	2,593	339	3,684	20,297	17,071	3,226	19,836
Commercial	364	420	(56)	440	2,030	1,873	157	2,381	12,103	9,893	2,210	11,452
Industrial	128	126	2	125	560	435	125	551	2,423	2,172	251	3,135
Public Authorities	33	39	(6)	43	214	215	(1)	261	1,286	1,176	110	1,252
Irrigation	-	-	0	-	-	-	0	-	-	-	0	-
Unbilled	(110)	(91)	(19)	(12)	(1,541)	(1,225)	(316)	(2,113)	(11)	(8)	(3)	162
Total gas distribution volumes	793	917	(124)	1,035	4,195	3,891	304	4,764	36,098	30,304	5,794	35,837
Transportation volumes	3,133	3,269	(136)	3,002	9,444	10,095	(651)	9,312	32,275	32,105	170	31,709
Total throughput	3,926	4,186	(260)	4,037	13,639	13,986	(347)	14,076	68,373	62,409	5,964	67,546
Customers (000's):												
Residential	291	285	6	284	294	288	6	290	293	288	5	325
Commercial	38	37	1	37	38	37	1	38	38	38	0	41
Industrial	1	1	0	1	1	1	0	1	1	1	0	1
Public Authorities	2	2	0	2	2	2	0	2	2	2	0	2
Irrigation	-	-	0	-	-	-	0	-	-	-	0	-
Total Customers	332	325	7	324	335	328	7	331	334	329	5	369
Employee Count (12-month average)	406			457								
Customer per Employee	818			708								

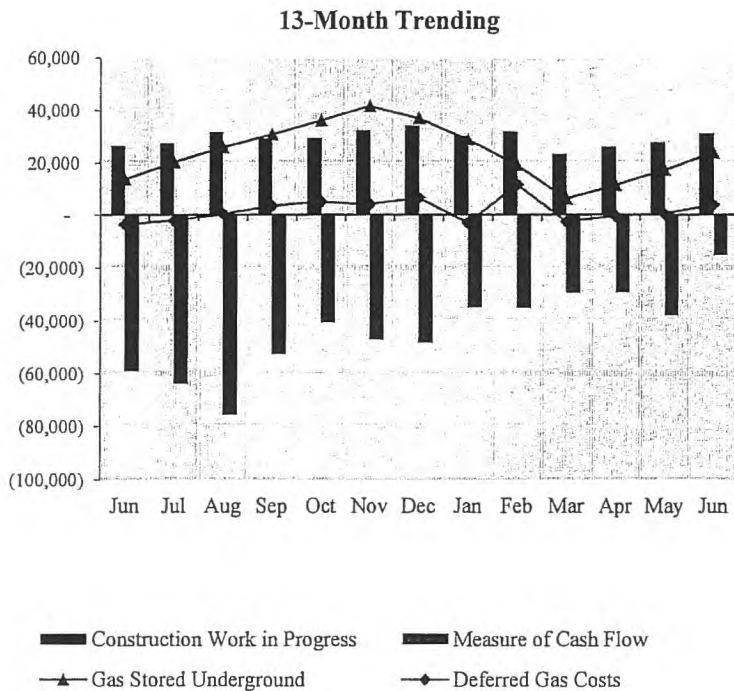


Atmos Energy Corporation

KY/Mid-States Division

Key Balance Sheet Accounts

For the Period Ended June 30, 2014
(\$000's)



Total PP&E	968,945
Net Prop, Plant and Equip	600,515
Construction Work in Progress	31,213
Deferred Gas Costs	3,813
Accts Rec, Less Allow for Doubtful Accts	23,201
Accts Rec, Over 90 Days	
Gas Stored Underground	23,902
Customers' Deposits	6,424
Bad Debt Provision as a Percentage of Revenues	0.31%
Measure of Cash Flow *	(15,203)
Change in cash flow from prior year June	43,788

Comments:

CWIP: Up month over month and year over year, following historical trends for summer capital spending.

Deferred Gas Costs: Up month over month and year over year, are in a good position for the summer months.

Gas stored underground: Up month over month and year over year as injections continue during the summer months.

Change in cash flow: Change attributable to change in current liabilities \$14.5k, value of gas stored underground (\$20.3k), net income (\$8.7k), deferred credits \$8.0k, deferred gas costs (\$2.8k), deferred charges (\$2.2k) and related deferred income tax \$47.7k.

* *Note:* Represents changes in working capital and other long-term accounts, less capital expenditures, depreciation, and deferred taxes. This measure is not representative of cash flows prepared in accordance with US GAAP.

Atmos Energy Corporation

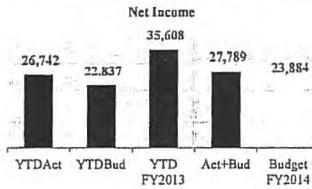
KY/Mid-States Division

Summary - Financial Results

For the Period Ended May 31, 2014

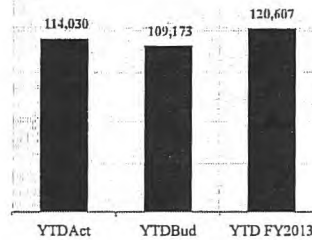
(\$000's)

S U M M A R Y



	MTD				QTD				YTD			
	Actual	Budget	Fav/Unfav	FY2013	Actual	Budget	Fav/Unfav	FY2013	Actual	Budget	Fav/Unfav	FY2013
Net Income	589	258	331	(408)	1,772	1,700	72	7,130	26,742	22,837	3,905	35,608
Gross Profit	9,716	9,249	467	9,100	20,914	20,282	632	19,453	114,030	109,173	4,857	120,607
O&M exc Bad Debt	4,245	4,510	265	4,013	9,229	8,685	(544)	8,821	34,930	35,081	151	36,799
Capital Expenditures	6,410	6,547	137	7,090	14,443	12,805	(1,638)	11,816	48,598	50,323	1,725	46,864

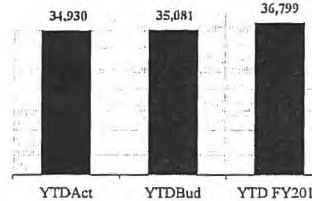
G R O S S P R O F I T



MTD: Weather related margins are (\$17k) unfavorable. Consumption related margins are a positive \$395k because of higher than budgeted heat load factors. Budgeted customer variance is \$166k favorable. Other operating revenue is \$85k better than budget and transportation margins are \$27k better than budget. Margins related to price, rate case variance, banner adjustments, and oracle additions are (\$189k) worse than budget.

YTD: Weather related margins are (\$586k) unfavorable. Consumption related margins are a positive \$4,929k because of higher than budgeted heat load factors. Budgeted customer variance is \$976k favorable. Other operating revenue is \$825k better than budget and transportation margins are \$750k better than budget. Margins related to price, rate case variance, banner adjustments, and oracle additions are (\$2,039k) worse than budget.

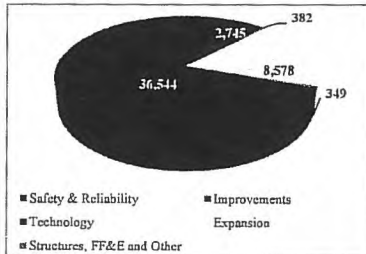
O & M e x c B A D D E B T



MTD: SSU billing favorable (\$94k), SSU direct favorable (\$92k), Labor favorable (\$28k) due to cap rate 1.7%, Benefits favorable (\$184k) due to cap rate and variance and Outside Services unfavorable \$132k due to contract meter reading and line locates.

YTD: SSU billing unfavorable \$117k, SSU direct favorable (\$1,491k), Labor unfavorable \$119k due mainly to overtime, Benefits favorable (\$1,012k) due to variance, Employee welfare unfavorable \$546k due to MIP/VPP, Outside Services unfavorable \$1,679 due to Blacksburg VA incident/contract meter reading/line locates and Vehicles favorable (\$145k) due to the sale of old leased vehicles.

C A P I T A L E X P E N D I T U R E S



MTD: Growth unfavorable \$243k due to timing of AIC for 31W and functionals in KY, Public Improvements favorable (\$194k) due to timing of Joe B Jackson Phase II in TN, Structures favorable (\$156k) due to timing of buildings in KY, System Integrity unfavorable \$144k due to PRP functional in KY and OH/accr favorable (\$223k).

YTD: Growth unfavorable \$1,724k due to TN/VA/KY functionals, US Nitrogen in TN & timing of AIC for 31W in KY, System Improvements favorable (\$2,079k) due to timing of Tyson Foods, 8" system improvement in Hopkinsville & redirected WMR dollars to upgrade project in KY, System Integrity unfavorable \$1,430k due to functionals and Old Nashville Hwy in TN, Public Improvements/IT/Structures a combined favorable (\$1,455k) due to timing and OH/accr favorable (\$1,286k).



Atmos Energy Corporation KY/Mid-States Division Income Statement - Comparative

For the Period Ended May 31, 2014

(\$000's)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Gross profit:												
Delivered gas	7,492	7,137	355	7,251	16,297	15,987	310	15,739	93,229	89,948	3,281	101,162
Transportation	1,945	1,918	27	1,783	3,887	3,862	25	3,426	17,654	16,903	751	16,850
Other revenue	279	194	85	66	730	433	297	288	3,147	2,322	825	2,595
Total gross profit	9,716	9,249	467	9,100	20,914	20,282	632	19,453	114,030	109,173	4,857	120,607
Operating expenses:												
Operation & maintenance	4,245	4,510	265	4,013	9,229	8,685	(544)	8,821	34,930	35,081	151	36,799
Provision for bad debts	183	35	(148)	40	226	79	(147)	87	747	438	(309)	560
Total O&M expense	4,428	4,545	117	4,053	9,455	8,764	(691)	8,908	35,677	35,519	(158)	37,359
Depreciation & amortization	2,449	2,412	(37)	2,227	4,824	4,805	(19)	4,436	18,742	19,022	280	19,568
Taxes, other than income	949	883	(66)	1,002	2,050	1,878	(172)	1,928	7,508	7,999	491	8,656
Total operating expenses	7,826	7,840	14	7,282	16,329	15,447	(882)	15,272	61,927	62,540	613	65,583
Operating income	1,890	1,409	481	1,818	4,585	4,835	(250)	4,181	52,103	46,633	5,470	55,024
Other income (expense):												
Interest, net	(1,171)	(1,161)	(10)	(1,144)	(2,321)	(2,323)	2	(2,313)	(9,101)	(9,391)	290	(9,800)
Miscellaneous income (expense), net	263	185	78	(1,254)	689	342	347	9,335	1,562	1,094	468	12,508
Total other income (expense)	(908)	(976)	68	(2,398)	(1,632)	(1,981)	349	7,022	(7,539)	(8,297)	758	2,708
Income (loss) before income taxes	982	433	549	(580)	2,953	2,854	99	11,203	44,564	38,336	6,228	57,732
Provision/(Benefit) for income taxes	393	175	(218)	(172)	1,181	1,154	(27)	4,073	17,822	15,499	(2,323)	22,124
Net income (loss)	589	258	331	(408)	1,772	1,700	72	7,130	26,742	22,837	3,905	35,608
EBIT - Actual	2,153	1,594	559	564	5,274	5,177	97	13,516	53,665	47,727	5,938	67,532
Degree Days - % of Normal <i>(adjusted for WNA States)</i>	88%			105%	97%			101%	100%			101%



Atmos Energy Corporation KY/Mid-States Division Total Spending- Comparative

For the Period Ended May 31, 2014
(\$000's)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Labor	962	1,073	111	1,038	1,920	2,145	225	2,080	7,936	8,492	556	9,265
Benefits	393	608	215	703	869	1,216	347	1,253	3,548	4,815	1,267	4,832
Employee Welfare	107	80	(27)	44	585	121	(464)	108	1,432	882	(550)	961
Insurance	35	41	6	24	75	82	7	62	327	318	(9)	333
Rent, Maint., & Utilities	138	136	(2)	136	304	273	(31)	284	1,161	1,131	(30)	1,285
Vehicles & Equip	154	191	37	118	325	391	66	371	1,238	1,383	145	1,517
Materials & Supplies	123	100	(23)	137	226	201	(25)	248	835	825	(10)	866
Information Technologies	1	12	11	8	7	38	31	16	68	110	42	108
Telecom	60	77	17	85	130	151	21	161	508	584	76	573
Marketing	78	48	(30)	56	106	92	(14)	76	355	365	10	374
Directors & Shareholders & PR	-	1	1	-	1	1	0	1	1	4	3	1
Dues & Donations	27	13	(14)	17	49	30	(19)	28	259	289	30	272
Print & Postages	2	4	2	4	5	8	3	7	27	31	4	34
Travel & Entertainment	83	83	0	144	195	170	(25)	270	686	681	(5)	832
Training	16	9	(7)	8	21	19	(2)	27	60	99	39	65
Outside Services	709	570	(139)	569	1,476	1,192	(284)	1,266	6,207	4,990	(1,217)	6,029
Miscellaneous	(1)	12	13	86	(7)	23	30	87	(9)	(92)	(83)	(17)
	<u>2,887</u>	<u>3,058</u>	<u>171</u>	<u>3,177</u>	<u>6,287</u>	<u>6,153</u>	<u>(134)</u>	<u>6,345</u>	<u>24,639</u>	<u>24,907</u>	<u>268</u>	<u>27,330</u>
Expense Billings	1,358	1,452	94	836	2,942	2,532	(410)	2,476	10,291	10,174	(117)	9,469
	<u>4,245</u>	<u>4,510</u>	<u>265</u>	<u>4,013</u>	<u>9,229</u>	<u>8,685</u>	<u>(544)</u>	<u>8,821</u>	<u>34,930</u>	<u>35,081</u>	<u>151</u>	<u>36,799</u>
Provision for Bad Debt	183	35	(148)	40	226	79	(147)	87	747	438	(309)	560
Total O&M Expense	4,428	4,545	117	4,053	9,455	8,764	(691)	8,908	35,677	35,519	(158)	37,359
Total Capital Expenditures	6,410	6,547	137	7,090	14,443	12,805	(1,638)	11,816	48,598	50,323	1,725	46,864
Total Spending	10,838	11,092	254	11,143	23,898	21,569	(2,329)	20,724	84,275	85,842	1,567	84,223
Labor Capitalization Rates	56.4%	54.8%	1.6%	56.1%	56.3%	54.8%	1.5%	56.1%	55.2%	54.8%	0.4%	53.6%



Atmos Energy Corporation KY/Mid-States Division Statistical Information

For the Period Ended May 31, 2014
(*\$000's*)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Volumes (Mmcf):												
Residential	721	628	93	1,118	2,554	2,171	383	3,245	19,919	16,648	3,271	19,397
Commercial	585	525	60	734	1,666	1,453	213	1,942	11,739	9,473	2,266	11,012
Industrial	170	137	33	151	432	309	123	426	2,296	2,046	250	3,010
Public Authorities	61	59	2	76	181	177	4	218	1,253	1,137	116	1,209
Irrigation	-	-	0	-	-	-	0	-	-	-	0	-
Unbilled	(291)	(353)	62	(693)	(1,431)	(1,136)	(295)	(2,102)	98	83	15	174
Total gas distribution volumes	1,246	996	250	1,386	3,402	2,974	428	3,729	35,305	29,387	5,918	34,802
Transportation volumes	3,107	3,373	(266)	3,045	6,311	6,826	(515)	6,311	29,142	28,836	306	28,707
Total throughput	4,353	4,369	(16)	4,431	9,713	9,800	(87)	10,040	64,447	58,223	6,224	63,509
Customers (000's):												
Residential	295	288	7	295	295	289	6	293	293	289	4	331
Commercial	39	37	2	38	39	38	1	38	38	38	0	41
Industrial	1	1	0	1	1	1	0	1	1	1	0	1
Public Authorities	2	2	0	2	2	2	0	2	2	2	0	2
Irrigation	-	-	0	-	-	-	0	-	-	-	0	-
Total Customers	337	328	9	336	337	330	7	334	334	330	4	375
Employee Count (12-month average)				405				472				
Customer per Employee				833				713				



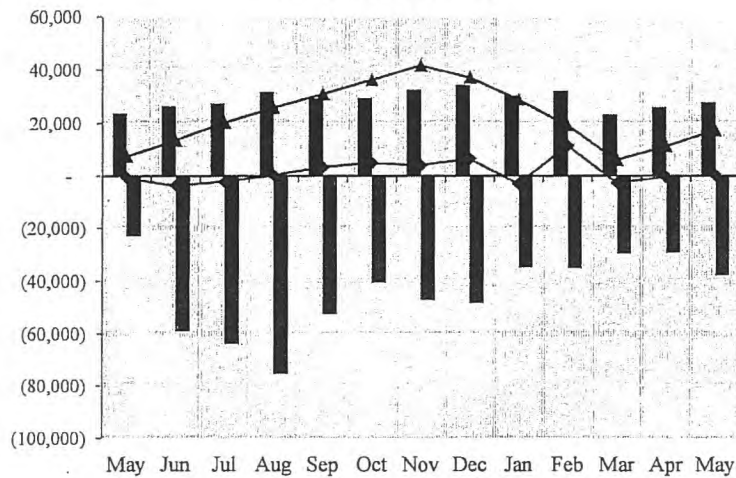
Atmos Energy Corporation

KY/Mid-States Division

Key Balance Sheet Accounts

For the Period Ended May 31, 2014
(\$000's)

13-Month Trending



Construction Work in Progress
 Measure of Cash Flow
 Gas Stored Underground
 Deferred Gas Costs

Total PP&E	962,226
Net Prop, Plant and Equip	594,956
Construction Work in Progress	27,703
Deferred Gas Costs	357
Accts Rec, Less Allow for Doubtful Accts	28,528
Accts Rec, Over 90 Days	
Gas Stored Underground	17,157
Customers' Deposits	6,348
Bad Debt Provision as a Percentage of Revenues	0.25%
Measure of Cash Flow *	(37,855)
Change in cash flow from prior year May	(14,820)

Comments:

CWIP: Up month over month and year over year. Continue to monitor and close projects as they become complete.

Deferred Gas Costs: Up month over month and year over year. Are in an over-recovered position.

Gas stored underground: Up slightly month over month and up year over year as summer injections begin.

Change in cash flow: Change attributable to change in current liabilities (\$8.8M), value of gas stored underground (\$22.0M), net income (\$9.1M), deferred credits \$6.3M, deferred gas costs \$25.9, deferred charges (\$2.3M) and related deferred income tax (\$4.8M).

* Note: Represents changes in working capital and other long-term accounts, less capital expenditures, depreciation, and deferred taxes. This measure is not representative of cash flows prepared in accordance with US GAAP.



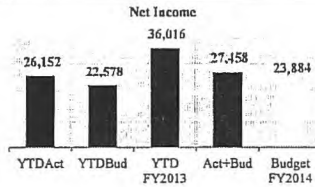
Atmos Energy Corporation

KY/Mid-States Division

Summary - Financial Results

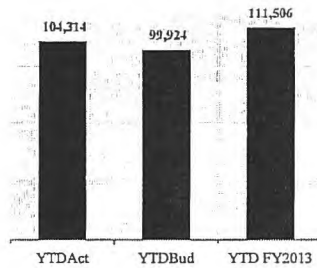
For the Period Ended April 30, 2014
(\$000's)

S U M M A R Y



	MTD				QTD				YTD			
	Actual	Budget	Fav/Unfav	FY2013	Actual	Budget	Fav/Unfav	FY2013	Actual	Budget	Fav/Unfav	FY2013
Net Income	1,183	1,442	(259)	7,538	1,183	1,442	(259)	7,538	26,152	22,578	3,574	36,016
Gross Profit	11,198	11,033	165	10,353	11,198	11,033	165	10,353	104,314	99,924	4,390	111,506
O&M exc Bad Debt	4,984	4,175	(809)	4,808	4,984	4,175	(809)	4,808	30,685	30,571	(114)	32,786
Capital Expenditures	8,033	6,258	(1,775)	4,726	8,033	6,258	(1,775)	4,726	42,188	43,775	1,587	39,774

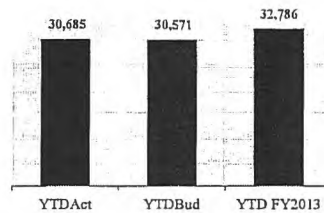
G R O S S P R O F I T



MTD: Weather related margins are (\$24k) unfavorable. Consumption related margins are a positive \$470k because of higher than budgeted heat load factors. Budgeted customer variance is \$126k favorable. Other operating revenue is \$212k better than budget. Margins related to price, rate case variance, banner adjustments, and oracle additions are (\$618k) worse than budget.

YTD: Weather related margins are (\$569k) unfavorable. Consumption related margins are a positive \$4,534k because of higher than budgeted heat load factors. Budgeted customer variance is \$806k favorable. Other operating revenue is \$740k better than budget and transportation margins are \$723k better than budget. Margins related to price, rate case variance, banner adjustments, and oracle additions are (\$1,846k) worse than budget.

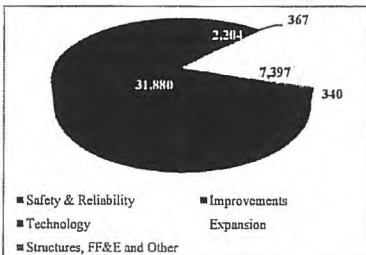
O & M exc B A D D E B T



MTD: SSU billing favorable (\$28k), SSU direct favorable (\$197k), Labor favorable (\$34k) due to cap rate 1.5%, Benefits favorable (\$102k) due to cap rate and variance, Outside services unfavorable \$194k due to Blacksburg VA incident, IT favorable (\$20k) due to timing of software maintenance, Employee travel unfavorable \$20k timing, Rents/utilities unfavorable \$34k due to Bowling Green levelized rent adjustment and Vehicles favorable (\$29k) due to sale of leased vehicles.

YTD: SSU billing favorable (\$320k), SSU direct favorable (\$1,399k), Labor unfavorable \$147k due mainly to overtime, Benefits favorable (\$828k) due mainly to variance and Outside services unfavorable \$1,547k due mainly to Blacksburg VA incident.

C A P I T A L E X P E N D I T U R E S



MTD: System Integrity unfavorable \$1,108k due to timing of KY PRP, System Improvements unfavorable \$920k due to timing of the Hopkinsville 8" system improvement and OH/accr favorable (\$767k).

YTD: Growth unfavorable \$1,481k due to TN/VA functionals and US Nitrogen in TN, System Integrity unfavorable \$1,286k due to functionals and Old Nashville Hwy in TN, System Improvements favorable (\$2,042k) due to timing of Habit Purchase Station, 8" system improvement in Hopkinsville & redirected WMR dollars to upgrade project in KY, IT/Structures a combined favorable (\$977k) due to timing and OH/accr favorable (\$1,571k).



Atmos Energy Corporation KY/Mid-States Division Income Statement - Comparative

For the Period Ended April 30, 2014

(\$000's)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Gross profit:												
Delivered gas	8,805	8,850	(45)	8,488	8,805	8,850	(45)	8,488	85,737	82,811	2,926	93,910
Transportation	1,942	1,944	(2)	1,643	1,942	1,944	(2)	1,643	15,709	14,985	724	15,067
Other revenue	451	239	212	222	451	239	212	222	2,868	2,128	740	2,529
Total gross profit	11,198	11,033	165	10,353	11,198	11,033	165	10,353	104,314	99,924	4,390	111,506
Operating expenses:												
Operation & maintenance	4,984	4,175	(809)	4,808	4,984	4,175	(809)	4,808	30,685	30,571	(114)	32,786
Provision for bad debts	43	43	0	46	43	43	0	46	564	403	(161)	520
Total O&M expense	5,027	4,218	(809)	4,854	5,027	4,218	(809)	4,854	31,249	30,974	(275)	33,306
Depreciation & amortization	2,375	2,393	18	2,209	2,375	2,393	18	2,209	16,293	16,610	317	17,341
Taxes, other than income	1,101	996	(105)	926	1,101	996	(105)	926	6,560	7,116	556	7,654
Total operating expenses	8,503	7,607	(896)	7,989	8,503	7,607	(896)	7,989	54,102	54,700	598	58,301
Operating income	2,695	3,426	(731)	2,364	2,695	3,426	(731)	2,364	50,212	45,224	4,988	53,205
Other income (expense):												
Interest, net	(1,150)	(1,163)	13	(1,169)	(1,150)	(1,163)	13	(1,169)	(7,930)	(8,230)	300	(8,656)
Miscellaneous income (expense), net	426	157	269	10,589	426	157	269	10,589	1,299	908	391	13,763
Total other income (expense)	(724)	(1,006)	282	9,420	(724)	(1,006)	282	9,420	(6,631)	(7,322)	691	5,107
Income (loss) before income taxes	1,971	2,420	(449)	11,784	1,971	2,420	(449)	11,784	43,581	37,902	5,679	58,312
Provision/(Benefit) for income taxes	788	978	190	4,246	788	978	190	4,246	17,429	15,324	(2,105)	22,296
Net income (loss)	1,183	1,442	(259)	7,538	1,183	1,442	(259)	7,538	26,152	22,578	3,574	36,016
EBIT - Actual	3,121	3,583	(462)	12,953	3,121	3,583	(462)	12,953	51,511	46,132	5,379	66,968
Degree Days - % of Normal <i>(adjusted for WNA States)</i>	100%			100%	100%			100%	100%			101%



Atmos Energy Corporation KY/Mid-States Division Total Spending- Comparative

For the Period Ended April 30, 2014
(*\$000's*)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Labor	958	1,073	115	1,042	958	1,073	115	1,042	6,974	7,419	445	8,227
Benefits	476	608	132	550	476	608	132	550	3,155	4,207	1,052	4,130
Employee Welfare	478	41	(437)	64	478	41	(437)	64	1,326	801	(525)	917
Insurance	39	41	2	38	39	41	2	38	292	277	(15)	309
Rent, Maint., & Utilities	166	137	(29)	149	166	137	(29)	149	1,024	995	(29)	1,150
Vehicles & Equip	171	200	29	253	171	200	29	253	1,084	1,192	108	1,400
Materials & Supplies	103	101	(2)	111	103	101	(2)	111	713	725	12	729
Information Technologies	6	26	20	8	6	26	20	8	67	98	31	100
Telecom	69	75	6	76	69	75	6	76	448	507	59	488
Marketing	28	44	16	20	28	44	16	20	277	317	40	319
Directors & Shareholders & PR	1	1	0	1	1	1	0	1	1	4	3	1
Dues & Donations	22	17	(5)	11	22	17	(5)	11	232	276	44	255
Print & Postages	3	4	1	3	3	4	1	3	25	28	3	30
Travel & Entertainment	112	87	(25)	126	112	87	(25)	126	603	599	(4)	689
Training	5	9	4	19	5	9	4	19	44	89	45	57
Outside Services	767	622	(145)	697	767	622	(145)	697	5,498	4,420	(1,078)	5,460
Miscellaneous	(4)	8	12	-	(4)	8	12	-	(11)	(105)	(94)	(108)
	<u>3,400</u>	<u>3,094</u>	<u>(306)</u>	<u>3,168</u>	<u>3,400</u>	<u>3,094</u>	<u>(306)</u>	<u>3,168</u>	<u>21,752</u>	<u>21,849</u>	<u>97</u>	<u>24,153</u>
Expense Billings	<u>1,584</u>	<u>1,081</u>	<u>(503)</u>	<u>1,640</u>	<u>1,584</u>	<u>1,081</u>	<u>(503)</u>	<u>1,640</u>	<u>8,933</u>	<u>8,722</u>	<u>(211)</u>	<u>8,633</u>
	<u>4,984</u>	<u>4,175</u>	<u>(809)</u>	<u>4,808</u>	<u>4,984</u>	<u>4,175</u>	<u>(809)</u>	<u>4,808</u>	<u>30,685</u>	<u>30,571</u>	<u>(114)</u>	<u>32,786</u>
Provision for Bad Debt	<u>43</u>	<u>43</u>	<u>0</u>	<u>46</u>	<u>43</u>	<u>43</u>	<u>0</u>	<u>46</u>	<u>564</u>	<u>403</u>	<u>(161)</u>	<u>520</u>
Total O&M Expense	<u>5,027</u>	<u>4,218</u>	<u>(809)</u>	<u>4,854</u>	<u>5,027</u>	<u>4,218</u>	<u>(809)</u>	<u>4,854</u>	<u>31,249</u>	<u>30,974</u>	<u>(275)</u>	<u>33,306</u>
Total Capital Expenditures	<u>8,033</u>	<u>6,258</u>	<u>(1,775)</u>	<u>4,726</u>	<u>8,033</u>	<u>6,258</u>	<u>(1,775)</u>	<u>4,726</u>	<u>42,188</u>	<u>43,775</u>	<u>1,587</u>	<u>39,774</u>
Total Spending	<u>13,060</u>	<u>10,476</u>	<u>(2,584)</u>	<u>9,580</u>	<u>13,060</u>	<u>10,476</u>	<u>(2,584)</u>	<u>9,580</u>	<u>73,437</u>	<u>74,749</u>	<u>1,312</u>	<u>73,080</u>
Labor Capitalization Rates	56.2%	54.8%	1.4%	56.1%	56.2%	54.8%	1.4%	56.1%	54.9%	54.8%	0.1%	53.2%



Atmos Energy Corporation KY/Mid-States Division Statistical Information

For the Period Ended April 30, 2014
(*\$000's*)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Volumes (Mmcf):												
Residential	1,833	1,543	290	2,127	1,833	1,543	290	2,127	19,198	16,020	3,178	18,279
Commercial	1,082	928	154	1,208	1,082	928	154	1,208	11,155	8,948	2,207	10,278
Industrial	262	172	90	275	262	172	90	275	2,126	1,909	217	2,859
Public Authorities	119	118	1	141	119	118	1	141	1,192	1,079	113	1,132
Irrigation	-	-	0	-	-	-	0	-	-	-	0	-
Unbilled	(1,140)	(784)	(356)	(1,407)	(1,140)	(784)	(356)	(1,407)	389	434	(45)	868
Total gas distribution volumes	2,156	1,977	179	2,344	2,156	1,977	179	2,344	34,060	28,390	5,670	33,416
Transportation volumes	3,205	3,453	(248)	3,266	3,205	3,453	(248)	3,266	26,036	25,463	573	25,662
Total throughput	5,361	5,430	(69)	5,610	5,361	5,430	(69)	5,610	60,096	53,853	6,243	59,078
Customers (000's):												
Residential	295	289	6	292	295	289	6	292	293	289	4	336
Commercial	38	38	0	39	38	38	0	39	38	38	0	42
Industrial	1	1	0	1	1	1	0	1	1	1	0	1
Public Authorities	2	2	0	3	2	2	0	3	2	2	0	2
Irrigation	-	-	0	-	-	-	0	-	-	-	0	-
Total Customers	336	330	6	335	336	330	6	335	334	330	4	381
Employee Count (12-month average)	405			485								
Customer per Employee	831			690								



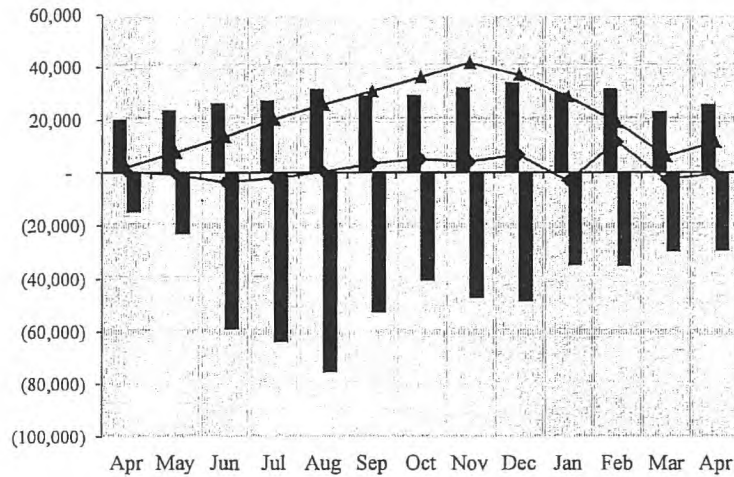
Atmos Energy Corporation

KY/Mid-States Division

Key Balance Sheet Accounts

For the Period Ended April 30, 2014
(\$000's)

13-Month Trending



Construction Work in Progress
 Measure of Cash Flow
 Gas Stored Underground
 Deferred Gas Costs

Total PP&E	960,685
Net Prop, Plant and Equip	590,855
Construction Work in Progress	25,850
Deferred Gas Costs	(440)
Accts Rec, Less Allow for Doubtful Accts	40,392
Accts Rec, Over 90 Days	
Gas Stored Underground	11,374
Customers' Deposits	6,520
Bad Debt Provision as a Percentage of Revenues	0.20%
Measure of Cash Flow *	(29,321)
Change in cash flow from prior year April	(14,334)

Comments:

CWIP: Up month over month and year over year. Continue to try and keep as low as possible.

Deferred Gas Costs: Very slight change month over month and year over year. Continue to be well positioned on the deferred balance.

Gas stored underground: Up month over month and year over year as withdrawals have ceased for the winter.

Change in cash flow: Change attributable to change in current liabilities \$8.5M, Accts rec \$5.0M, value of gas stored underground (\$20.6M), net income (\$9.5M), deferred credits \$6.9M and related deferred income tax (\$4.8M).

* *Note: Represents changes in working capital and other long-term accounts, less capital expenditures, depreciation, and deferred taxes. This measure is not representative of cash flows prepared in accordance with US GAAP.*

Atmos Energy Corporation

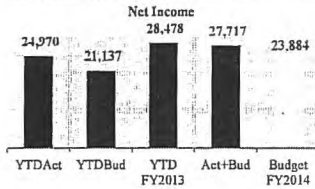
KY/Mid-States Division

Summary - Financial Results

For the Period Ended March 31, 2014

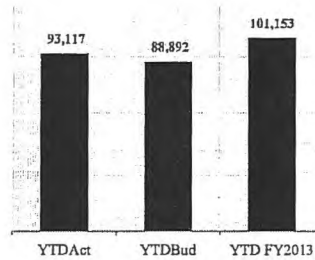
(\$000's)

S U M M A R Y



	MTD				QTD				YTD			
	Actual	Budget	Fav/Unfav	FY2013	Actual	Budget	Fav/Unfav	FY2013	Actual	Budget	Fav/Unfav	FY2013
Net Income	3,943	3,625	318	4,219	15,828	14,232	1,596	18,135	24,970	21,137	3,833	28,478
Gross Profit	15,457	14,866	591	16,104	53,489	50,358	3,131	56,319	93,117	88,892	4,225	101,153
O&M exc Bad Debt	4,378	4,267	(111)	4,858	13,488	12,766	(722)	14,330	25,700	26,396	696	27,978
Capital Expenditures	7,006	6,186	(820)	7,123	16,527	15,428	(1,099)	20,867	34,155	37,517	3,362	35,048

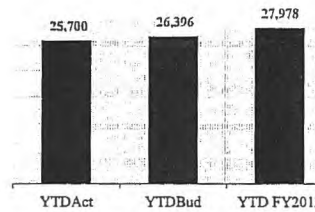
G R O S S P R O F I T



MTD: Weather related margins are (\$550k) unfavorable. Consumption related margins are a positive \$777k because of higher than budgeted heat load factors. Budgeted customer variance is \$130k favorable. Other operating revenue is \$232k better than budget and transportation margins are \$141k better than budget. Margins related to price, rate case variance, banner adjustments, and oracle additions are (\$140k) worse than budget.

YTD: Weather related margins are (\$545k) unfavorable. Consumption related margins are a positive \$4,064k because of higher than budgeted heat load factors. Budgeted customer variance is \$680k favorable. Other operating revenue is \$528k better than budget and transportation margins are \$725k better than budget. Margins related to price, rate case variance, banner adjustments, and oracle additions are (\$1,228k) worse than budget.

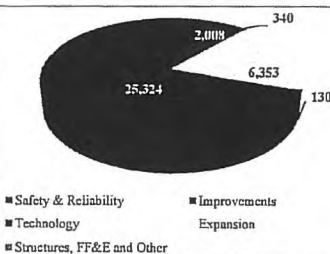
O & M exc B A D D E B T



MTD: SSU billing unfavorable \$48k, SSU direct favorable (\$168k), Labor favorable (\$62k) due to cap rate 1%/overtime/standby, Benefits favorable (\$100k) due to cap rate/variance, Outside services unfavorable \$424k due to Blacksburg VA incident & contract labor, Employee welfare unfavorable \$30k due to VPP/MIP, Marketing favorable (\$19k) due to timing, Telecom favorable (\$21k) due to timing and Vehicles favorable (\$29k) due to sale of leased vehicles.

YTD: SSU billing favorable (\$292k), SSU direct favorable (\$1,203k), Labor unfavorable \$181k due to overtime, Benefits favorable (\$726k) due to variance, Miscellaneous unfavorable \$139k due to timing of KY rate case reversal, Outside services unfavorable \$1,353k due to Blacksburg VA incident/KY rate case and Vehicles favorable (\$80k) due to sale of leased vehicles.

C A P I T A L E X P E N D I T U R E S



MTD: Growth unfavorable \$730k due to TN/VA functionals and timing of Red Sun Farm project in VA, System Improvements favorable (\$1,430k) due to timing of 8" system improvement in KY, System Integrity unfavorable \$1,878k due to KY/TN functionals, KY PRP & Old Nashville Road in TN and OH/Accruals favorable (\$522k).

YTD: Growth unfavorable \$1,584k due to KY/TN/VA functionals and US Nitrogen in TN, System Improvements favorable (\$2,961k) due to timing of Habit Purchase Station, 8" system improvement project & redirected WMR dollars to upgrade project in KY & timing of WMR in TN, Structures favorable (\$678k) due to timing of building projects in KY, IT favorable (\$413k) due to timing of purchases and OH/Accruals favorable (\$804k).



Atmos Energy Corporation KY/Mid-States Division Income Statement - Comparative

For the Period Ended March 31, 2014

(\$000's)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Gross profit:												
Delivered gas	12,457	12,240	217	13,464	44,445	42,390	2,055	47,961	76,933	73,961	2,972	85,422
Transportation	2,464	2,322	142	2,298	7,539	6,949	590	7,152	13,766	13,042	724	13,424
Other revenue	536	304	232	342	1,505	1,019	486	1,206	2,418	1,889	529	2,307
Total gross profit	15,457	14,866	591	16,104	53,489	50,358	3,131	56,319	93,117	88,892	4,225	101,153
Operating expenses:												
Operation & maintenance	4,378	4,267	(111)	4,858	13,488	12,766	(722)	14,330	25,700	26,396	696	27,978
Provision for bad debts	129	59	(70)	74	363	205	(158)	268	521	360	(161)	473
Total O&M expense	4,507	4,326	(181)	4,932	13,851	12,971	(880)	14,598	26,221	26,756	535	28,451
Depreciation & amortization	2,347	2,376	29	2,551	6,999	7,086	87	7,592	13,918	14,217	299	15,132
Taxes, other than income	1,007	1,019	12	1,125	3,217	3,175	(42)	3,489	5,459	6,121	662	6,728
Total operating expenses	7,861	7,721	(140)	8,608	24,067	23,232	(835)	25,679	45,598	47,094	1,496	50,311
Operating income	7,596	7,145	451	7,496	29,422	27,126	2,296	30,640	47,519	41,798	5,721	50,842
Other income (expense):												
Interest, net	(1,123)	(1,169)	46	(1,326)	(3,387)	(3,522)	135	(3,945)	(6,781)	(7,068)	287	(7,487)
Miscellaneous income (expense), net	150	110	40	79	363	287	76	2,659	873	752	121	3,173
Total other income (expense)	(973)	(1,059)	86	(1,247)	(3,024)	(3,235)	211	(1,286)	(5,908)	(6,316)	408	(4,314)
Income (loss) before income taxes	6,623	6,086	537	6,249	26,398	23,891	2,507	29,354	41,611	35,482	6,129	46,528
Provision/(Benefit) for income taxes	2,680	2,461	(219)	2,030	10,570	9,659	(911)	11,219	16,641	14,345	(2,296)	18,050
Net income (loss)	3,943	3,625	318	4,219	15,828	14,232	1,596	18,135	24,970	21,137	3,833	28,478
EBIT - Actual	7,746	7,255	491	7,575	29,785	27,413	2,372	33,299	48,392	42,550	5,842	54,015
Degree Days - % of Normal <i>(adjusted for WNA States)</i>	100%			100%	101%			100%	100%			101%



Atmos Energy Corporation KY/Mid-States Division Total Spending- Comparative

For the Period Ended March 31, 2014
(\$000's)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Labor	889	1,028	139	1,205	3,043	3,129	86	3,589	6,015	6,347	332	7,185
Benefits	454	584	130	688	1,510	1,776	266	1,985	2,679	3,599	920	3,580
Employee Welfare	70	39	(31)	36	412	322	(90)	447	847	760	(87)	853
Insurance	34	39	5	44	109	118	9	150	252	235	(17)	271
Rent, Maint., & Utilities	141	136	(5)	212	450	414	(36)	578	858	858	0	1,001
Vehicles & Equip	147	176	29	226	453	491	38	590	913	992	79	1,146
Materials & Supplies	115	100	(15)	113	318	301	(17)	322	610	624	14	618
Information Technologies	16	12	(4)	40	50	36	(14)	60	61	72	11	93
Telecom	47	75	28	91	181	220	39	230	378	432	54	412
Marketing	15	46	31	17	132	140	8	157	249	273	24	299
Directors & Shareholders & PR	-	1	1	-	-	2	2	-	-	3	3	-
Dues & Donations	122	123	1	118	157	171	14	171	210	258	48	244
Print & Postages	6	4	(2)	3	12	12	0	14	22	24	2	27
Travel & Entertainment	93	88	(5)	143	262	255	(7)	316	491	511	20	562
Training	6	20	14	9	25	49	24	23	39	80	41	39
Outside Services	990	594	(396)	1,088	2,700	1,813	(887)	2,456	4,731	3,798	(933)	4,763
Miscellaneous	(3)	14	17	(69)	(7)	(128)	(121)	(92)	(4)	(111)	(107)	(108)
	<u>3,142</u>	<u>3,079</u>	<u>(63)</u>	<u>3,964</u>	<u>9,807</u>	<u>9,121</u>	<u>(686)</u>	<u>10,996</u>	<u>18,351</u>	<u>18,755</u>	<u>404</u>	<u>20,985</u>
Expense Billings	<u>1,236</u>	<u>1,188</u>	<u>(48)</u>	<u>894</u>	<u>3,681</u>	<u>3,645</u>	<u>(36)</u>	<u>3,334</u>	<u>7,349</u>	<u>7,641</u>	<u>292</u>	<u>6,993</u>
	<u>4,378</u>	<u>4,267</u>	<u>(111)</u>	<u>4,858</u>	<u>13,488</u>	<u>12,766</u>	<u>(722)</u>	<u>14,330</u>	<u>25,700</u>	<u>26,396</u>	<u>696</u>	<u>27,978</u>
Provision for Bad Debt	<u>129</u>	<u>59</u>	<u>(70)</u>	<u>74</u>	<u>363</u>	<u>205</u>	<u>(158)</u>	<u>268</u>	<u>521</u>	<u>360</u>	<u>(161)</u>	<u>473</u>
Total O&M Expense	<u>4,507</u>	<u>4,326</u>	<u>(181)</u>	<u>4,932</u>	<u>13,851</u>	<u>12,971</u>	<u>(880)</u>	<u>14,598</u>	<u>26,221</u>	<u>26,756</u>	<u>535</u>	<u>28,451</u>
Total Capital Expenditures	<u>7,006</u>	<u>6,186</u>	<u>(820)</u>	<u>7,123</u>	<u>16,527</u>	<u>15,428</u>	<u>(1,099)</u>	<u>20,867</u>	<u>34,155</u>	<u>37,517</u>	<u>3,362</u>	<u>35,048</u>
Total Spending	<u>11,513</u>	<u>10,512</u>	<u>(1,001)</u>	<u>12,055</u>	<u>30,378</u>	<u>28,399</u>	<u>(1,979)</u>	<u>35,465</u>	<u>60,376</u>	<u>64,273</u>	<u>3,897</u>	<u>63,499</u>
Labor Capitalization Rates	55.6%	54.7%	0.9%	48.1%	53.5%	54.7%	-1.2%	51.1%	54.7%	54.8%	0.0%	52.8%



Atmos Energy Corporation

KY/Mid-States Division

Statistical Information

For the Period Ended March 31, 2014
(*\$000's*)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Volumes (Mmcf):												
Residential	3,302	2,709	593	3,483	12,497	10,027	2,470	11,184	17,365	14,477	2,888	16,152
Commercial	1,812	1,535	277	1,886	6,913	5,392	1,521	6,019	10,073	8,020	2,053	9,071
Industrial	259	347	(88)	407	1,060	1,088	(28)	1,384	1,864	1,738	126	2,584
Public Authorities	206	175	31	200	742	637	105	651	1,072	961	111	991
Irrigation	-	-	0	-	-	-	0	-	-	-	0	-
Unbilled	(507)	(713)	206	(397)	(726)	(1,272)	546	(186)	1,530	1,217	313	2,275
Total gas distribution volumes	5,072	4,053	1,019	5,579	20,486	15,872	4,614	19,052	31,904	26,413	5,491	31,073
Transportation volumes	4,386	3,929	457	3,932	12,885	11,770	1,115	11,970	22,831	22,010	821	22,397
Total throughput	9,458	7,982	1,476	9,511	33,371	27,642	5,729	31,022	54,735	48,423	6,312	53,470
Customers (000's):												
Residential	296	291	5	346	295	291	4	346	293	289	4	343
Commercial	39	38	1	43	39	38	1	43	38	38	0	42
Industrial	1	1	0	1	1	1	0	1	1	1	0	1
Public Authorities	2	3	(1)	3	2	2	0	2	2	2	0	2
Irrigation	-	-	0	-	-	-	0	-	-	-	0	-
Total Customers	338	333	5	393	337	332	5	392	334	330	4	388
Employee Count (12-month average)	404			499								
Customer per Employee	836			787								



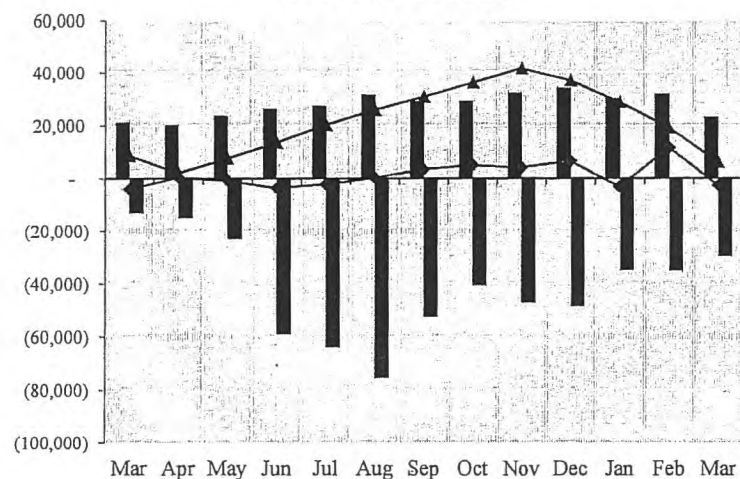
Atmos Energy Corporation

KY/Mid-States Division

Key Balance Sheet Accounts

For the Period Ended March 31, 2014
(\$000's)

13-Month Trending



Construction Work in Progress
 Measure of Cash Flow
 Gas Stored Underground
 Deferred Gas Costs

Total PP&E	953,796
Net Prop, Plant and Equip	584,977
Construction Work in Progress	23,190
Deferred Gas Costs	(2,620)
Accts Rec, Less Allow for Doubtful Accts	60,516
Accts Rec, Over 90 Days	
Gas Stored Underground	6,124
Customers' Deposits	6,516
Bad Debt Provision as a Percentage of Revenues	0.20%
Measure of Cash Flow *	(29,448)
Change in cash flow from prior year March	(16,284)

Comments:

CWIP: Down month over month due to closing of large projects and in line with previous year.

Deferred Gas Costs: Down month over month and in line with previous year. Continue to be well positioned in light of a cold winter.

Gas stored underground: Down month over month as withdraws continue during the winter months. In line with previous year.

Change in cash flow: Change attributable to change in current liabilities (\$11.1M), deferred gas costs (\$4.8M), Accts rec \$25.2M, value of gas stored underground (\$15.3M), net income (\$3.7M), deferred charges & deferred credits net to (\$2.0M) and related deferred income tax (\$11.0M).

* Note: Represents changes in working capital and other long-term accounts, less capital expenditures, depreciation, and deferred taxes. This measure is not representative of cash flows prepared in accordance with US GAAP.



Atmos Energy Corporation

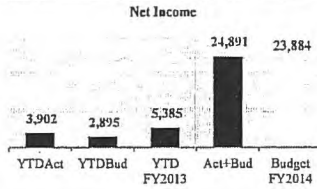
KY/Mid-States Division

Summary - Financial Results

For the Period Ended November 30, 2013

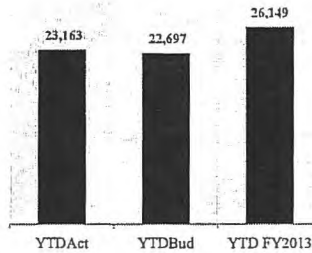
(\$000's)

SUMMARY



	MTD				QTD				YTD			
	Actual	Budget	Fav/Unfav	FY2013	Actual	Budget	Fav/Unfav	FY2013	Actual	Budget	Fav/Unfav	FY2013
Net Income	2,719	2,445	274	3,638	3,902	2,895	1,007	5,385	3,902	2,895	1,007	5,385
Gross Profit	12,992	12,590	402	14,705	23,163	22,697	466	26,149	23,163	22,697	466	26,149
O&M exc Bad Debt	3,827	4,014	187	4,455	7,864	9,055	1,191	8,716	7,864	9,055	1,191	8,716
Capital Expenditures	6,476	7,477	1,001	5,109	11,705	16,123	4,418	8,450	11,705	16,123	4,418	8,450

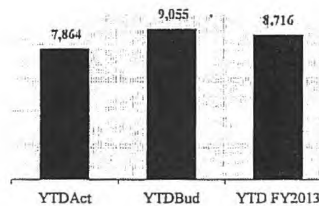
GROSS PROFIT



MTD: Weather related margins are \$345k better than budget. Consumption related margins are a negative (\$56k) because of lower than budgeted heat load factors. Budgeted customer variance is \$116k favorable. Other operating revenue is (\$33k) worse than budget and transportation margins are (\$117k) worse than budget. Margins related to price, rate case variance, banner adjustments, and oracle additions are \$147k better than budget.

YTD: Weather related margins are \$134k better than budget. Consumption related margins are a positive \$56k because of higher than budgeted heat load factors. Budgeted customer variance is \$212k favorable. Other operating revenue is (\$20k) worse than budget and transportation margins are (\$16k) worse than budget. Margins related to price, rate case variance, banner adjustments, and oracle additions are \$100k better than budget.

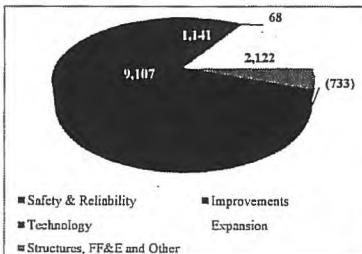
O & M exc BAD DEBT



MTD: SSU direct favorable (\$216k), SSU billing unfavorable \$105k, Labor unfavorable \$12k due to overtime, Benefits unfavorable \$135k due mainly to variance, timing is the cause for all the following variances, Outside services (\$171) contact labor/legal, Materials/supplies (\$16k), Rent/Utilities (\$16k), Employee travel (\$35k), Vehicles (\$26k) and IT, Employee welfare & Insurance a combined \$(23k).

YTD: SSU direct favorable (\$463k), SSU billing favorable (\$213k), Labor unfavorable \$21k due mainly to overtime, Benefits favorable (\$454k) due to variance, Employee travel favorable (\$69k), timing and Vehicles favorable (\$38k) timing.

CAPITAL EXPENDITURES



MTD: Structures favorable (\$895k) due to timing of Danville office and System Integrity favorable (\$383k) due to timing of KY PRP.

YTD: Structures favorable (\$956k) due to timing of Danville office, System Integrity favorable (\$2,374k) due mainly to timing of KY PRP and Accruals favorable (\$880k).



Atmos Energy Corporation KY/Mid-States Division Income Statement - Comparative

For the Period Ended November 30, 2013

(\$000's)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Gross profit:												
Delivered gas	10,788	10,236	552	12,219	18,556	18,054	502	21,276	18,556	18,054	502	21,276
Transportation	1,957	2,074	(117)	2,126	4,050	4,065	(15)	4,118	4,050	4,065	(15)	4,118
Other revenue	247	280	(33)	360	557	578	(21)	755	557	578	(21)	755
Total gross profit	12,992	12,590	402	14,705	23,163	22,697	466	26,149	23,163	22,697	466	26,149
Operating expenses:												
Operation & maintenance	3,827	4,014	187	4,455	7,864	9,055	1,191	8,716	7,864	9,055	1,191	8,716
Provision for bad debts	52	50	(2)	68	90	89	(1)	116	90	89	(1)	116
Total O&M expense	3,879	4,064	185	4,523	7,954	9,144	1,190	8,832	7,954	9,144	1,190	8,832
Depreciation & amortization	2,305	2,378	73	2,519	4,606	4,743	137	5,033	4,606	4,743	137	5,033
Taxes, other than income	1,072	1,013	(59)	1,123	1,981	1,951	(30)	2,114	1,981	1,951	(30)	2,114
Total operating expenses	7,256	7,455	199	8,165	14,541	15,838	1,297	15,979	14,541	15,838	1,297	15,979
Operating income	5,736	5,135	601	6,540	8,622	6,859	1,763	10,170	8,622	6,859	1,763	10,170
Other income (expense):												
Interest, net	(1,140)	(1,183)	43	(1,248)	(2,272)	(2,365)	93	(2,509)	(2,272)	(2,365)	93	(2,509)
Miscellaneous income (expense), net	(31)	152	(183)	70	200	366	(166)	277	200	366	(166)	277
Total other income (expense)	(1,171)	(1,031)	(140)	(1,178)	(2,072)	(1,999)	(73)	(2,232)	(2,072)	(1,999)	(73)	(2,232)
Income (loss) before income taxes	4,565	4,104	461	5,362	6,550	4,860	1,690	7,938	6,550	4,860	1,690	7,938
Provision/(Benefit) for income taxes	1,846	1,659	(187)	1,724	2,648	1,965	(683)	2,553	2,648	1,965	(683)	2,553
Net income (loss)	2,719	2,445	274	3,638	3,902	2,895	1,007	5,385	3,902	2,895	1,007	5,385
EBIT - Actual	5,705	5,287	418	6,610	8,822	7,225	1,597	10,447	8,822	7,225	1,597	10,447
Degree Days - % of Normal <i>(adjusted for WNA States)</i>	101%			100%	99%			104%	99%			104%

Atmos Energy Corporation

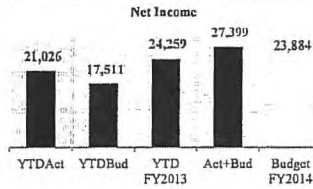
KY/Mid-States Division

Summary - Financial Results

For the Period Ended February 28, 2014

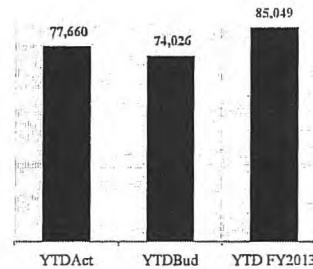
(\$000's)

S U M M A R Y



	MTD				QTD				YTD			
	Actual	Budget	Fav/Unfav	FY2013	Actual	Budget	Fav/Unfav	FY2013	Actual	Budget	Fav/Unfav	FY2013
Net Income	5,545	4,760	785	6,968	11,884	10,607	1,277	13,916	21,026	17,511	3,515	24,259
Gross Profit	17,917	16,423	1,494	18,725	38,032	35,491	2,541	40,215	77,660	74,026	3,634	85,049
O&M exc Bad Debt	4,180	3,881	(299)	4,479	9,111	8,500	(611)	9,471	21,321	22,130	809	23,119
Capital Expenditures	4,312	4,524	212	6,990	9,521	9,242	(279)	13,745	27,149	31,332	4,183	27,926

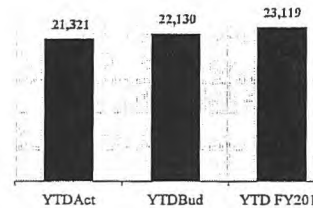
G R O S S P R O F I T



MTD: Weather related margins are \$206k favorable. Consumption related margins are a positive \$1,625k because of higher than budgeted heat load factors. Budgeted customer variance is \$143k favorable. Other operating revenue is \$99k better than budget and transportation margins are \$70k better than budget. Margins related to price, rate case variance, banner adjustments, and oracle additions are (\$649k) worse than budget.

YTD: Weather related margins are \$5k favorable. Consumption related margins are a positive \$3,287k because of higher than budgeted heat load factors. Budgeted customer variance is \$550k favorable. Other operating revenue is \$296k better than budget and transportation margins are \$584k better than budget. Margins related to price, rate case variance, banner adjustments, and oracle additions are (\$1,088k) worse than budget.

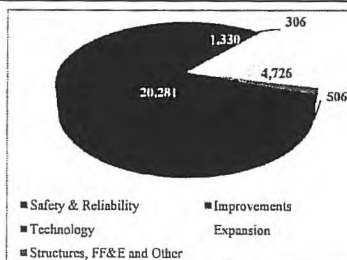
O & M exc B A D D E B T



MTD: SSU billing unfavorable \$29k, SSU direct favorable (\$97k), Labor unfavorable \$94k due mainly to OT and cap rate 2.3%, Benefits favorable (\$50k) due to variance, Outside services unfavorable \$202k due mainly to timing of KY rate case legal expenses, Employee travel favorable (\$24k) timing, Misc unfavorable \$153k due to timing of reversing KY rate case expenses for amortization purposes, Vehicles favorable (\$26k) due to sale of several leased vehicles and Rents/Utilities unfavorable \$22k due to higher utilities and cap rate.

YTD: SSU billing favorable (\$340k), SSU direct favorable (\$1,035k), Labor unfavorable \$243k due mainly to OT and cap rate .2%, Benefits favorable (\$626k) due to variance and Outside services unfavorable \$929k due to Blacksburg VA incident and KY rate case.

C A P I T A L E X P E N D I T U R E S



MTD: Growth favorable (\$309k) due to timing of KY functionals & Red Sun Farms in VA, System Integrity unfavorable \$378k due to Old Nashville Hwy in TN and System Improvement favorable (\$366k) due to timing of Habit Purchase heater in KY and reallocating the KY WMR purchases.

YTD: Growth unfavorable \$854k due to functionals in KY/TN and US Nitrogen in TN, System Integrity favorable (\$1,700k) due mainly to timing of functionals and PRP in KY and Extron replacement in VA, System Improvement favorable (\$1,532k) due to timing of Tyson Food & Habit purchase heater in KY and reallocation of WMR purchases, Christianburg reinforcement in VA & WMR in TN, Structures favorable (\$728k) due to timing of building projects in KY and timing between Equipment/IT/System Improvements equate to a combined favorable (\$795k).



Atmos Energy Corporation KY/Mid-States Division Income Statement - Comparative

For the Period Ended February 28, 2014

(\$000's)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Gross profit:												
Delivered gas	15,137	13,812	1,325	15,942	31,988	30,150	1,838	34,497	64,476	61,722	2,754	71,958
Transportation	2,294	2,224	70	2,313	5,075	4,626	449	4,854	11,303	10,719	584	11,126
Other revenue	486	387	99	470	969	715	254	864	1,881	1,585	296	1,965
Total gross profit	17,917	16,423	1,494	18,725	38,032	35,491	2,541	40,215	77,660	74,026	3,634	85,049
Operating expenses:												
Operation & maintenance	4,180	3,881	(299)	4,479	9,111	8,500	(611)	9,471	21,321	22,130	809	23,119
Provision for bad debts	153	67	(86)	91	234	146	(88)	194	392	301	(91)	400
Total O&M expense	4,333	3,948	(385)	4,570	9,345	8,646	(699)	9,665	21,713	22,431	718	23,519
Depreciation & amortization	2,328	2,359	31	2,528	4,651	4,710	59	5,040	11,571	11,841	270	12,581
Taxes, other than income	1,039	1,027	(12)	1,117	2,210	2,156	(54)	2,364	4,452	5,102	650	5,603
Total operating expenses	7,700	7,334	(366)	8,215	16,206	15,512	(694)	17,069	37,736	39,374	1,638	41,703
Operating income	10,217	9,089	1,128	10,510	21,826	19,979	1,847	23,146	39,924	34,652	5,272	43,346
Other income (expense):												
Interest, net	(1,125)	(1,173)	48	(1,273)	(2,264)	(2,353)	89	(2,619)	(5,658)	(5,898)	240	(6,161)
Miscellaneous income (expense), net	134	75	59	2,332	212	180	32	2,578	720	642	78	3,094
Total other income (expense)	(991)	(1,098)	107	1,059	(2,052)	(2,173)	121	(41)	(4,938)	(5,256)	318	(3,067)
Income (loss) before income taxes	9,226	7,991	1,235	11,569	19,774	17,806	1,968	23,105	34,986	29,396	5,590	40,279
Provision/(Benefit) for income taxes	3,681	3,231	(450)	4,601	7,890	7,199	(691)	9,189	13,960	11,885	(2,075)	16,020
Net income (loss)	5,545	4,760	785	6,968	11,884	10,607	1,277	13,916	21,026	17,511	3,515	24,259
EBIT - Actual	10,351	9,164	1,187	12,842	22,038	20,159	1,879	25,724	40,644	35,294	5,350	46,440
Degree Days - % of Normal <i>(adjusted for WNA States)</i>	100%			100%	101%			100%	100%			101%



Atmos Energy Corporation KY/Mid-States Division Total Spending- Comparative

For the Period Ended February 28, 2014
(\$000's)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Labor	1,004	984	(20)	1,099	2,154	2,101	(53)	2,384	5,126	5,319	193	5,979
Benefits	482	560	78	692	1,056	1,192	136	1,297	2,224	3,015	791	2,892
Employee Welfare	109	103	(6)	164	343	283	(60)	411	778	721	(57)	817
Insurance	35	39	4	44	75	79	4	105	218	196	(22)	227
Rent, Maint., & Utilities	153	136	(17)	177	309	278	(31)	366	717	722	5	789
Vehicles & Equip	140	166	26	195	305	315	10	363	765	816	51	920
Materials & Supplies	94	100	6	87	203	201	(2)	209	494	524	30	505
Information Technologies	15	12	(3)	13	35	24	(11)	20	45	60	15	53
Telecom	81	74	(7)	58	134	145	11	139	331	358	27	321
Marketing	59	44	(15)	100	116	94	(22)	140	233	227	(6)	281
Directors & Shareholders & PR	-	1	1	-	-	1	1	-	-	3	3	-
Dues & Donations	14	13	(1)	21	36	48	12	53	88	135	47	126
Print & Postages	4	4	0	6	6	8	2	11	16	19	3	23
Travel & Entertainment	80	100	20	97	169	168	(1)	173	397	423	26	419
Training	8	9	1	7	18	29	11	14	33	60	27	29
Outside Services	777	589	(188)	572	1,710	1,219	(491)	1,368	3,741	3,204	(537)	3,676
Miscellaneous	(2)	(151)	(149)	(47)	(3)	(141)	(138)	(22)	2	(125)	(127)	(37)
	3,053	2,783	(270)	3,285	6,666	6,044	(622)	7,031	15,208	15,677	469	17,020
Expense Billings	1,127	1,098	(29)	1,194	2,445	2,456	11	2,440	6,113	6,453	340	6,099
	4,180	3,881	(299)	4,479	9,111	8,500	(611)	9,471	21,321	22,130	809	23,119
Provision for Bad Debt	153	67	(86)	91	234	146	(88)	194	392	301	(91)	400
Total O&M Expense	4,333	3,948	(385)	4,570	9,345	8,646	(699)	9,665	21,713	22,431	718	23,519
Total Capital Expenditures	4,312	4,524	212	6,990	9,521	9,242	(279)	13,745	27,149	31,332	4,183	27,926
Total Spending	8,645	8,472	(173)	11,560	18,866	17,888	(978)	23,410	48,862	53,763	4,901	51,445
Labor Capitalization Rates	52.2%	54.6%	-2.4%	52.9%	52.6%	54.8%	-2.2%	52.9%	54.6%	54.8%	-0.2%	53.8%



Atmos Energy Corporation

KY/Mid-States Division

Statistical Information

For the Period Ended February 28, 2014
(\$000's)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Volumes (Mmcf):												
Residential	4,777	3,568	1,209	3,799	9,196	7,318	1,878	7,701	14,063	11,768	2,295	12,669
Commercial	2,649	1,906	743	2,066	5,101	3,857	1,244	4,133	8,261	6,485	1,776	7,185
Industrial	475	358	117	533	801	740	61	977	1,604	1,390	214	2,177
Public Authorities	277	224	53	224	536	462	74	451	866	785	81	791
Irrigation	-	-	0	-	-	-	0	-	-	-	0	-
Unbilled	(1,726)	(1,038)	(688)	(436)	(220)	(558)	338	212	2,038	1,932	106	2,672
Total gas distribution volumes	6,452	5,018	1,434	6,186	15,414	11,819	3,595	13,474	26,832	22,360	4,472	25,494
Transportation volumes	3,765	3,723	42	3,805	8,233	7,840	393	8,038	18,179	18,081	98	18,465
Total throughput	10,217	8,741	1,476	9,991	23,647	19,659	3,988	21,512	45,011	40,441	4,570	43,959
Customers (000's):												
Residential	295	292	3	346	295	292	3	346	293	288	5	342
Commercial	39	38	1	43	39	38	1	43	38	38	0	42
Industrial	1	1	0	1	1	1	0	1	1	1	0	1
Public Authorities	2	2	0	2	2	2	0	2	2	2	0	2
Irrigation	-	-	0	-	-	-	0	-	-	-	0	-
Total Customers	337	333	4	392	337	333	4	392	334	329	5	387
Employee Count (12-month average)	409			508								
Customer per Employee	825			771								



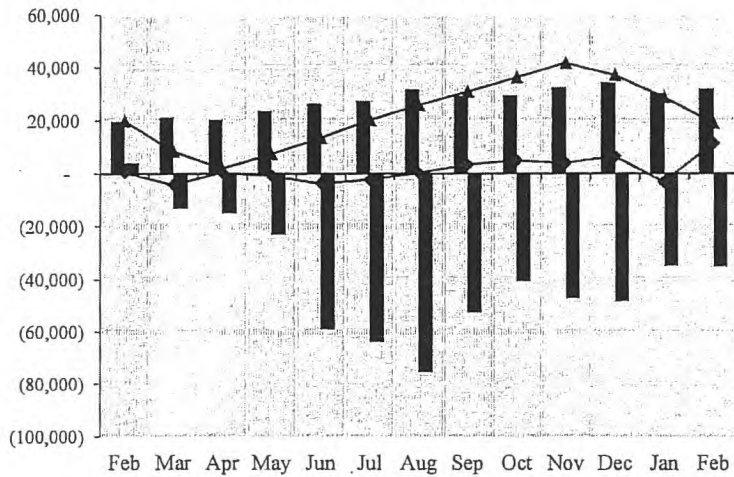
Atmos Energy Corporation

KY/Mid-States Division

Key Balance Sheet Accounts

For the Period Ended February 28, 2014
(\$000's)

13-Month Trending



Construction Work in Progress
 Measure of Cash Flow
 Gas Stored Underground
 Deferred Gas Costs

Total PP&E	949,652
Net Prop, Plant and Equip	580,116
Construction Work in Progress	31,876
Deferred Gas Costs	11,561
Accts Rec, Less Allow for Doubtful Accts	76,410
Accts Rec, Over 90 Days	
Gas Stored Underground	19,126
Customers' Deposits	6,466
Bad Debt Provision as a Percentage of Revenues	0.18%
Measure of Cash Flow *	(35,064)
Change in cash flow from prior year February	(39,167)

Comments:

CWIP: Up slightly month over month and up year over year due to several large projects.

Deferred Gas Costs: Down month over month and year over year. Continue to monitor and refresh as allowable by tariff.

Gas stored underground: Down month over month as withdrawals continue, in line with previous year.

Change in cash flow: Change attributable to change in current liabilities \$32.0M, deferred gas costs (\$23.0M), Accts rec (\$7.7M), value of gas stored underground (\$18.9M), net income (\$3.4M) and related deferred income tax (\$6.1M).

* *Note: Represents changes in working capital and other long-term accounts, less capital expenditures, depreciation, and deferred taxes. This measure is not representative of cash flows prepared in accordance with US GAAP.*

Atmos Energy Corporation

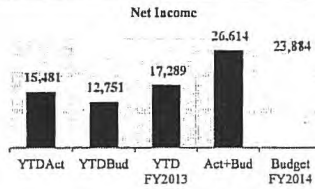
KY/Mid-States Division

Summary - Financial Results

For the Period Ended January 31, 2014

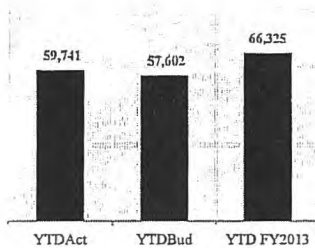
(\$000's)

S U M M A R Y



	MTD				QTD				YTD			
	Actual	Budget	Fav/Unfav	FY2013	Actual	Budget	Fav/Unfav	FY2013	Actual	Budget	Fav/Unfav	FY2013
Net Income	6,338	5,848	490	6,946	6,338	5,846	492	6,946	15,481	12,751	2,730	17,289
Gross Profit	20,115	19,069	1,046	21,490	20,115	19,069	1,046	21,490	59,741	57,602	2,139	66,325
O&M exc Bad Debt	4,933	4,622	(311)	4,994	4,933	4,622	(311)	4,994	17,143	18,248	1,105	18,640
Capital Expenditures	5,209	4,718	(491)	6,755	5,209	4,718	(491)	6,755	22,838	26,808	3,970	20,936

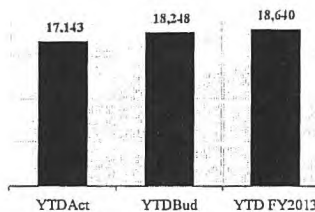
G R O S S P R O F I T



MTD: Weather related margins are (\$142k) unfavorable. Consumption related margins are a positive \$1,038k because of higher than budgeted heat load factors. Budgeted customer variance is \$158k favorable. Other operating revenue is \$154k better than budget and transportation margins are \$379k better than budget. Margins related to price, rate case variance, banner adjustments, and oracle additions are (\$540k) worse than budget.

YTD: Weather related margins are (\$201k) unfavorable. Consumption related margins are a positive \$1,662k because of higher than budgeted heat load factors. Budgeted customer variance is \$407k favorable. Other operating revenue is \$197k better than budget and transportation margins are \$514k better than budget. Margins related to price, rate case variance, banner adjustments, and oracle additions are (\$439k) worse than budget.

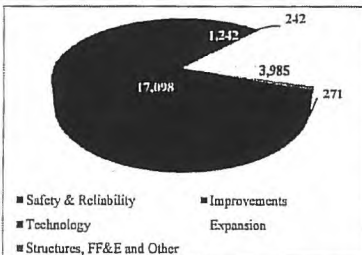
O & M e x c l B A D D E B T



MTD: SSU billing favorable (\$40k), SSU direct favorable (\$196k), Labor unfavorable \$118k due to cap rate 1.9%/Overtime, Benefits favorable (\$26k) due to variance, Outside services unfavorable \$382k due to contract labor/Blacksburg VA legal, Employee travel favorable \$21k timing and Employee welfare unfavorable \$53k due to timing of uniforms/VPP.

YTD: SSU billing favorable (\$369k), SSU direct favorable (\$938k), Labor unfavorable \$149k due mainly to overtime, Benefits favorable (\$576k) due to variance and Outside Services unfavorable \$727k due mainly to the Blacksburg VA legal costs.

C A P I T A L E X P E N D I T U R E S



MTD: Growth favorable (\$257k) due to timing of Red Sun Farm AIC in VA/KY functionals/misc jobs in TN, System Improvements favorable (\$399k) due mainly to timing of WMR in KY/TN, System Integrity unfavorable \$524k due to bare steel & Old Nashville Hwy in TN and overhead unfavorable \$543k.

YTD: Growth unfavorable \$1,163k due to functionals in VA/KY/TN along with U S Nitrogen in TN, System Improvement favorable (\$1,166k) due to timing of WMR & Tyson Foods in KY, WMR in TN & Christianburg reinforcement in VA, System Integrity favorable (\$2,078k) due mainly to KY PRP, namely Fruithill Phase 2 & Parrish Ave, Structures favorable (\$752k) due to timing of building projects in KY, Equipment/IT a combined favorable (\$598k) due to timing of purchases and OH/acuralls favorable (\$307k).



Atmos Energy Corporation KY/Mid-States Division Income Statement - Comparative

For the Period Ended January 31, 2014

(\$000's)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Gross profit:												
Delivered gas	16,851	16,338	513	18,555	16,851	16,338	513	18,555	49,338	47,909	1,429	56,017
Transportation	2,781	2,402	379	2,541	2,781	2,402	379	2,541	9,008	8,495	513	8,813
Other revenue	483	329	154	394	483	329	154	394	1,395	1,198	197	1,495
Total gross profit	20,115	19,069	1,046	21,490	20,115	19,069	1,046	21,490	59,741	57,602	2,139	66,325
Operating expenses:												
Operation & maintenance	4,933	4,622	(311)	4,994	4,933	4,622	(311)	4,994	17,143	18,248	1,105	18,640
Provision for bad debts	81	79	(2)	103	81	79	(2)	103	240	234	(6)	309
Total O&M expense	5,014	4,701	(313)	5,097	5,014	4,701	(313)	5,097	17,383	18,482	1,099	18,949
Depreciation & amortization	2,324	2,351	27	2,513	2,324	2,351	27	2,513	9,243	9,482	239	10,053
Taxes, other than income	1,172	1,129	(43)	1,247	1,172	1,129	(43)	1,247	3,413	4,075	662	4,486
Total operating expenses	8,510	8,181	(329)	8,857	8,510	8,181	(329)	8,857	30,039	32,039	2,000	33,488
Operating income	11,605	10,888	717	12,633	11,605	10,888	717	12,633	29,702	25,563	4,139	32,837
Other income (expense):												
Interest, net	(1,139)	(1,180)	41	(1,346)	(1,139)	(1,180)	41	(1,346)	(4,533)	(4,726)	193	(4,888)
Miscellaneous income (expense), net	81	108	(27)	246	81	106	(25)	246	591	568	23	759
Total other income (expense)	(1,058)	(1,072)	14	(1,100)	(1,058)	(1,074)	16	(1,100)	(3,942)	(4,158)	216	(4,129)
Income (loss) before income taxes	10,547	9,816	731	11,533	10,547	9,814	733	11,533	25,760	21,405	4,355	28,708
Provision/(Benefit) for income taxes	4,209	3,968	(241)	4,587	4,209	3,968	(241)	4,587	10,279	8,654	(1,625)	11,419
Net income (loss)	6,338	5,848	490	6,946	6,338	5,846	492	6,946	15,481	12,751	2,730	17,289
EBIT - Actual	11,686	10,996	690	12,879	11,686	10,994	692	12,879	30,293	26,131	4,162	33,596
Degree Days - % of Normal <i>(adjusted for WNA States)</i>	101%			100%	101%			100%	100%			101%



Atmos Energy Corporation KY/Mid-States Division Total Spending- Comparative

For the Period Ended January 31, 2014
(\$000's)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Labor	1,151	1,117	(34)	1,285	1,151	1,117	(34)	1,285	4,122	4,334	212	4,880
Benefits	574	632	58	605	574	632	58	605	1,742	2,455	713	2,200
Employee Welfare	234	181	(53)	247	234	181	(53)	247	669	618	(51)	653
Insurance	40	39	(1)	62	40	39	(1)	62	183	157	(26)	183
Rent, Maint., & Utilities	156	142	(14)	189	156	142	(14)	189	564	586	22	612
Vehicles & Equip	165	149	(16)	168	165	149	(16)	168	625	650	25	725
Materials & Supplies	109	101	(8)	122	109	101	(8)	122	401	423	22	418
Information Technologies	20	12	(8)	7	20	12	(8)	7	31	48	17	39
Telecom	53	71	18	81	53	71	18	81	250	283	33	263
Marketing	58	50	(8)	39	58	50	(8)	39	174	183	9	181
Directors & Shareholders & PR	-	1	1	-	-	1	1	-	-	2	2	-
Dues & Donations	21	35	14	32	21	35	14	32	73	122	49	105
Print & Postages	2	4	2	5	2	4	2	5	12	16	4	17
Travel & Entertainment	89	68	(21)	76	89	68	(21)	76	317	324	7	322
Training	11	20	9	7	11	20	9	7	25	51	26	23
Outside Services	933	631	(302)	797	933	631	(302)	797	2,964	2,615	(349)	3,104
Miscellaneous	(1)	11	12	25	(1)	11	12	25	4	26	22	9
	3,615	3,264	(351)	3,747	3,615	3,264	(351)	3,747	12,156	12,893	737	13,734
Expense Billings	1,318	1,358	40	1,247	1,318	1,358	40	1,247	4,987	5,355	368	4,906
	4,933	4,622	(311)	4,994	4,933	4,622	(311)	4,994	17,143	18,248	1,105	18,640
Provision for Bad Debt	81	79	(2)	103	81	79	(2)	103	240	234	(6)	309
Total O&M Expense	5,014	4,701	(313)	5,097	5,014	4,701	(313)	5,097	17,383	18,482	1,099	18,949
Total Capital Expenditures	5,209	4,718	(491)	6,755	5,209	4,718	(491)	6,755	22,838	26,808	3,970	20,936
Total Spending	10,223	9,419	(804)	11,852	10,223	9,419	(804)	11,852	40,221	45,290	5,069	39,885
Labor Capitalization Rates	52.9%	54.9%	-2.0%	52.8%	52.9%	54.9%	-2.0%	52.8%	55.1%	54.8%	0.3%	54.0%



Atmos Energy Corporation KY/Mid-States Division Statistical Information

For the Period Ended January 31, 2014
(\$000's)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Volumes (Mmcf):												
Residential	4,419	3,750	669	3,903	4,419	3,750	669	3,903	9,287	8,200	1,087	8,870
Commercial	2,452	1,951	501	2,067	2,452	1,951	501	2,067	5,611	4,579	1,032	5,119
Industrial	326	382	(56)	444	326	382	(56)	444	1,130	1,032	98	1,644
Public Authorities	259	238	21	228	259	238	21	228	590	562	28	567
Irrigation	-	-	0	-	-	-	0	-	-	-	0	-
Unbilled	1,506	480	1,026	646	1,506	480	1,026	646	3,762	2,969	793	3,108
Total gas distribution volumes	8,962	6,801	2,161	7,288	8,962	6,801	2,161	7,288	20,380	17,342	3,038	19,308
Transportation volumes	4,253	4,117	136	4,233	4,253	4,117	136	4,233	14,199	14,358	(159)	14,660
Total throughput	13,215	10,918	2,297	11,521	13,215	10,918	2,297	11,521	34,579	31,700	2,879	33,968
Customers (000's):												
Residential	295	291	4	346	295	291	4	346	292	288	4	341
Commercial	39	38	1	43	39	38	1	43	38	38	0	42
Industrial	1	1	0	1	1	1	0	1	1	1	0	1
Public Authorities	2	2	0	2	2	2	0	2	2	2	0	2
Irrigation	-	-	0	-	-	-	0	-	-	-	0	-
Total Customers	337	332	5	392	337	332	5	392	333	329	4	386
Employee Count (12-month average)	414			517								
Customer per Employee	815			758								



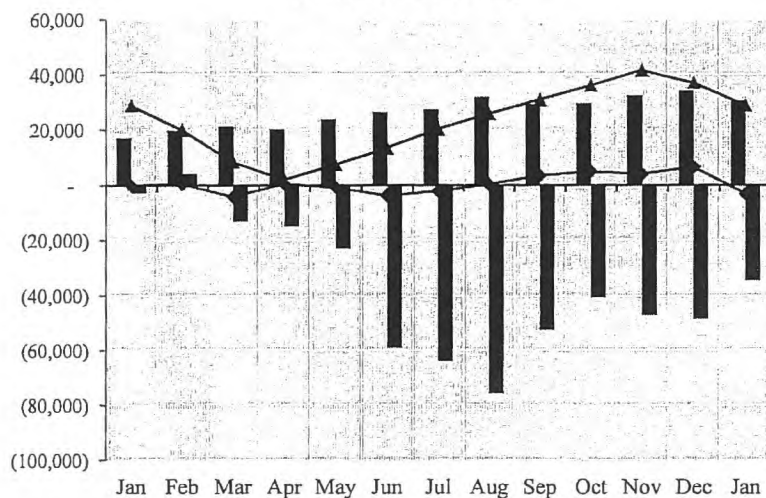
Atmos Energy Corporation

KY/Mid-States Division

Key Balance Sheet Accounts

For the Period Ended January 31, 2014
(\$000's)

13-Month Trending



Construction Work in Progress
 Measure of Cash Flow
 Gas Stored Underground
 Deferred Gas Costs

Total PP&E	946,418
Net Prop, Plant and Equip	577,929
Construction Work in Progress	30,299
Deferred Gas Costs	(3,098)
Accts Rec, Less Allow for Doubtful Accts	75,725
Accts Rec, Over 90 Days	
Gas Stored Underground	28,791
Customers' Deposits	6,435
Bad Debt Provision as a Percentage of Revenues	0.15%
Measure of Cash Flow *	(34,686)
Change in cash flow from prior year January	(31,854)

Comments:

CWIP: Down month over month as a couple of large projects were closed and up year over year due to several large projects.

Deferred Gas Costs: Up month over month and year over year, are in a slightly over-recovered status which is a good position considering the cold winter.

Gas stored underground: Down month over month as withdrawals are continuing to be made during the winter, in line with previous year.

Change in cash flow: Change attributable to change in current liabilities \$32.4M, deferred gas costs (\$19.7M), Accts rec (\$7.8M), value of gas stored underground (\$24.0M), net income (\$1.9M), cap ex (\$1.9M) and related deferred income tax (\$6.1M).

* Note: Represents changes in working capital and other long-term accounts, less capital expenditures, depreciation, and deferred taxes. This measure is not representative of cash flows prepared in accordance with US GAAP.



Atmos Energy Corporation

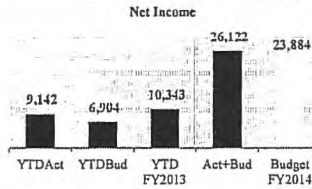
KY/Mid-States Division

Summary - Financial Results

For the Period Ended December 31, 2013

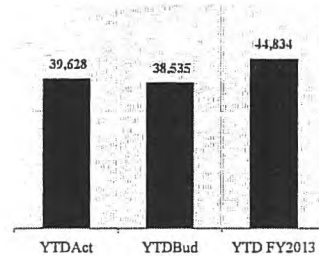
(\$000's)

SUMMARY



	MTD				QTD				YTD			
	Actual	Budget	Fav/Unfav	FY2013	Actual	Budget	Fav/Unfav	FY2013	Actual	Budget	Fav/Unfav	FY2013
Net Income	5,240	4,009	1,231	4,958	9,142	6,904	2,238	10,343	9,142	6,904	2,238	10,343
Gross Profit	16,465	15,838	627	18,685	39,628	38,535	1,093	44,834	39,628	38,535	1,093	44,834
O&M exc Bad Debt	4,350	4,577	227	4,934	12,213	13,630	1,417	13,647	12,213	13,630	1,417	13,647
Capital Expenditures	5,924	5,967	43	5,732	17,629	22,090	4,461	14,181	17,629	22,090	4,461	14,181

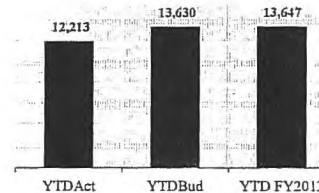
GROSS PROFIT



MTD: Weather related margins are (\$193k) unfavorable. Consumption related margins are a positive \$569k because of higher than budgeted heat load factors. Budgeted customer variance is \$37k favorable. Other operating revenue is \$63k better than budget and transportation margins are \$150k better than budget. Margins related to price, rate case variance, banner adjustments, and oracle additions are \$1k better than budget.

YTD: Weather related margins are (\$59k) unfavorable. Consumption related margins are a positive \$624k because of higher than budgeted heat load factors. Budgeted customer variance is \$249k favorable. Other operating revenue is \$43k better than budget and transportation margins are \$135k better than budget. Margins related to price, rate case variance, banner adjustments, and oracle additions are \$101k better than budget.

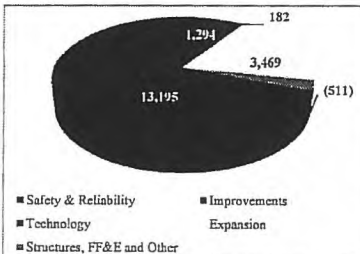
O & M excl BAD DEBT



MTD: SSU billing favorable (\$117k), SSU direct favorable (\$263k), Labor unfavorable \$10k due to PTO accrual, Benefits favorable (\$94k) due to variance, Outside services unfavorable \$280k due to VA legal/contractor labor and Employee travel favorable (\$37k).

YTD: SSU billing favorable (\$329k), SSU direct favorable (\$742k), Labor unfavorable \$31k due to overtime, Benefits favorable (\$549k) due to variance and Outside services unfavorable \$345k due to VA legal and contractor labor.

CAPITAL EXPENDITURES



MTD: Growth unfavorable \$761k due to KY/VA functionals, TN contractor alliance timing, VA AIC timing, offsetting this was favorable Public Improvements (\$572k) timing of KY University Blvd and TN SR10 N Main St and System Integrity (\$228k) Timing of KY Fruithill phase 2.

YTD: Growth unfavorable \$1,420k due to functionals/TN US Nitrogen/contractor alliance & VA AIC timing, Structures favorable (\$942k) timing of Danville office in KY, System Improvements favorable (\$767k) due to timing of Tyson Foods and WMR in KY, System Integrity favorable (\$2,602k) due to KY Fruithill phase 2/PRP/Well workovers, timing in IT & Equipment combined favorable (\$710k) and Accrual favorable (\$809k).



Atmos Energy Corporation KY/Mid-States Division Income Statement - Comparative

For the Period Ended December 31, 2013

(\$000's)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Gross profit:												
Delivered gas	13,931	13,518	413	16,185	32,487	31,572	915	37,461	32,487	31,572	915	37,461
Transportation	2,178	2,028	150	2,154	6,228	6,093	135	6,272	6,228	6,093	135	6,272
Other revenue	356	292	64	346	913	870	43	1,101	913	870	43	1,101
Total gross profit	16,465	15,838	627	18,685	39,628	38,535	1,093	44,834	39,628	38,535	1,093	44,834
Operating expenses:												
Operation & maintenance	4,350	4,577	227	4,934	12,213	13,630	1,417	13,647	12,213	13,630	1,417	13,647
Provision for bad debts	68	66	(2)	90	158	155	(3)	206	158	155	(3)	206
Total O&M expense	4,418	4,643	225	5,024	12,371	13,785	1,414	13,853	12,371	13,785	1,414	13,853
Depreciation & amortization	2,313	2,388	75	2,507	6,919	7,131	212	7,540	6,919	7,131	212	7,540
Taxes, other than income	260	995	735	1,125	2,241	2,946	705	3,239	2,241	2,946	705	3,239
Total operating expenses	6,991	8,026	1,035	8,656	21,531	23,862	2,331	24,632	21,531	23,862	2,331	24,632
Operating income	9,474	7,812	1,662	10,029	18,097	14,673	3,424	20,202	18,097	14,673	3,424	20,202
Other income (expense):												
Interest, net	(1,122)	(1,181)	59	(1,034)	(3,394)	(3,546)	152	(3,542)	(3,394)	(3,546)	152	(3,542)
Miscellaneous income (expense), net	310	99	211	242	510	463	47	514	510	463	47	514
Total other income (expense)	(812)	(1,082)	270	(792)	(2,884)	(3,083)	199	(3,028)	(2,884)	(3,083)	199	(3,028)
Income (loss) before income taxes	8,662	6,730	1,932	9,237	15,213	11,590	3,623	17,174	15,213	11,590	3,623	17,174
Provision/(Benefit) for income taxes	3,422	2,721	(701)	4,279	6,071	4,686	(1,385)	6,831	6,071	4,686	(1,385)	6,831
Net income (loss)	5,240	4,009	1,231	4,958	9,142	6,904	2,238	10,343	9,142	6,904	2,238	10,343
EBIT - Actual	9,784	7,911	1,873	10,271	18,607	15,136	3,471	20,716	18,607	15,136	3,471	20,716
Degree Days - % of Normal <i>(adjusted for WNA States)</i>	99%			100%	99%			102%	99%			102%



Atmos Energy Corporation KY/Mid-States Division Total Spending- Comparative

For the Period Ended December 31, 2013
(\$000's)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Labor	1,002	1,073	71	1,157	2,972	3,218	246	3,595	2,972	3,218	246	3,595
Benefits	481	608	127	735	1,169	1,823	654	1,595	1,169	1,823	654	1,595
Employee Welfare	179	168	(11)	165	435	438	3	406	435	438	3	406
Insurance	70	39	(31)	37	143	118	(25)	121	143	118	(25)	121
Rent, Maint., & Utilities	135	148	13	156	407	444	37	423	407	444	37	423
Vehicles & Equip	153	156	3	170	460	501	41	557	460	501	41	557
Materials & Supplies	84	108	24	107	291	323	32	296	291	323	32	296
Information Technologies	4	12	8	20	11	36	25	33	11	36	25	33
Telecom	85	71	(14)	70	198	212	14	181	198	212	14	181
Marketing	29	44	15	24	117	133	16	142	117	133	16	142
Directors & Shareholders & PR	-	1	1	-	-	2	2	-	-	2	2	-
Dues & Donations	15	35	20	14	52	87	35	73	52	87	35	73
Print & Postages	5	4	(1)	5	10	12	2	12	10	12	2	12
Travel & Entertainment	109	70	(39)	83	229	256	27	246	229	256	27	246
Training	4	9	5	6	14	31	17	16	14	31	17	16
Outside Services	810	664	(146)	829	2,031	1,984	(47)	2,307	2,031	1,984	(47)	2,307
Miscellaneous	(60)	5	65	12	5	15	10	(15)	5	15	10	(15)
	<u>3,105</u>	<u>3,215</u>	<u>110</u>	<u>3,590</u>	<u>8,544</u>	<u>9,633</u>	<u>1,089</u>	<u>9,988</u>	<u>8,544</u>	<u>9,633</u>	<u>1,089</u>	<u>9,988</u>
Expense Billings	<u>1,245</u>	<u>1,362</u>	<u>117</u>	<u>1,344</u>	<u>3,669</u>	<u>3,997</u>	<u>328</u>	<u>3,659</u>	<u>3,669</u>	<u>3,997</u>	<u>328</u>	<u>3,659</u>
	<u>4,350</u>	<u>4,577</u>	<u>227</u>	<u>4,934</u>	<u>12,213</u>	<u>13,630</u>	<u>1,417</u>	<u>13,647</u>	<u>12,213</u>	<u>13,630</u>	<u>1,417</u>	<u>13,647</u>
Provision for Bad Debt	<u>68</u>	<u>66</u>	<u>(2)</u>	<u>90</u>	<u>158</u>	<u>155</u>	<u>(3)</u>	<u>206</u>	<u>158</u>	<u>155</u>	<u>(3)</u>	<u>206</u>
Total O&M Expense	<u>4,418</u>	<u>4,643</u>	<u>225</u>	<u>5,024</u>	<u>12,371</u>	<u>13,785</u>	<u>1,414</u>	<u>13,853</u>	<u>12,371</u>	<u>13,785</u>	<u>1,414</u>	<u>13,853</u>
Total Capital Expenditures	<u>5,924</u>	<u>5,967</u>	<u>43</u>	<u>5,732</u>	<u>17,629</u>	<u>22,090</u>	<u>4,461</u>	<u>14,181</u>	<u>17,629</u>	<u>22,090</u>	<u>4,461</u>	<u>14,181</u>
Total Spending	<u>10,342</u>	<u>10,610</u>	<u>268</u>	<u>10,756</u>	<u>30,000</u>	<u>35,875</u>	<u>5,875</u>	<u>28,034</u>	<u>30,000</u>	<u>35,875</u>	<u>5,875</u>	<u>28,034</u>
Labor Capitalization Rates	55.3%	54.8%	0.6%	54.5%	55.7%	54.8%	0.9%	54.3%	55.7%	54.8%	0.9%	54.3%



Atmos Energy Corporation

KY/Mid-States Division

Statistical Information

For the Period Ended December 31, 2013

(\$000's)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Volumes (Mmcf):												
Residential	3,056	2,688	368	2,585	4,868	4,450	418	4,968	4,868	4,450	418	4,968
Commercial	1,687	1,357	330	1,428	3,160	2,628	532	3,052	3,160	2,628	532	3,052
Industrial	335	271	64	455	803	650	153	1,200	803	650	153	1,200
Public Authorities	188	173	15	159	330	324	6	340	330	324	6	340
Irrigation	-	-	0	-	-	-	0	-	-	-	0	-
Unbilled	737	1,195	(458)	948	2,257	2,489	(232)	2,460	2,257	2,489	(232)	2,460
Total gas distribution volumes	6,003	5,684	319	5,575	11,418	10,541	877	12,020	11,418	10,541	877	12,020
Transportation volumes	3,456	3,416	40	3,461	9,946	10,241	(295)	10,427	9,946	10,241	(295)	10,427
Total throughput	9,459	9,100	359	9,036	21,364	20,782	582	22,447	21,364	20,782	582	22,447
Customers (000's):												
Residential	293	290	3	344	291	286	5	340	291	286	5	340
Commercial	38	38	0	42	38	37	1	42	38	37	1	42
Industrial	1	1	0	1	1	1	0	1	1	1	0	1
Public Authorities	2	2	0	2	2	2	0	2	2	2	0	2
Irrigation	-	-	0	-	-	-	0	-	-	-	0	-
Total Customers	334	331	3	389	332	326	6	385	332	326	6	385
Employee Count (12-month average)	418			526								
Customer per Employee	799			740								



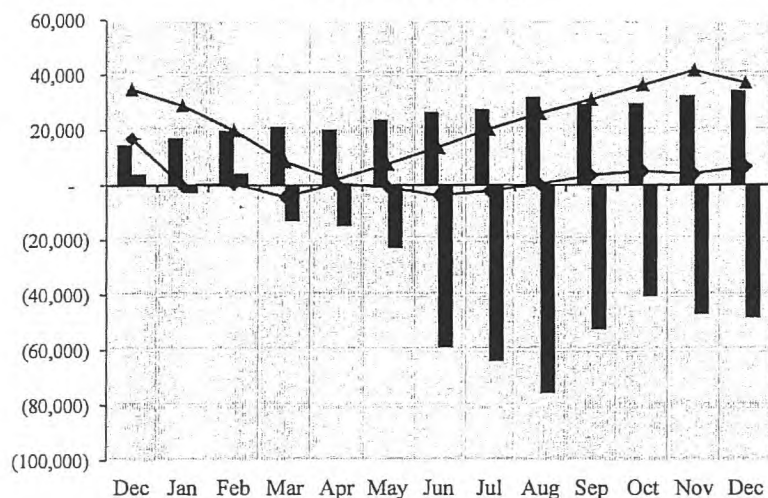
Atmos Energy Corporation

KY/Mid-States Division

Key Balance Sheet Accounts

For the Period Ended December 31, 2013
(\$000's)

13-Month Trending



Construction Work in Progress
 Measure of Cash Flow
 Gas Stored Underground
 Deferred Gas Costs

Total PP&E	942,668
Net Prop, Plant and Equip	574,839
Construction Work in Progress	34,258
Deferred Gas Costs	6,598
Accts Rec, Less Allow for Doubtful Accts	53,820
Accts Rec, Over 90 Days	
Gas Stored Underground	37,064
Customers' Deposits	6,415
Bad Debt Provision as a Percentage of Revenues	0.16%
Measure of Cash Flow *	(48,375)
Change in cash flow from prior year December	(52,398)

Comments:

CWIP: Up slightly month over month and up substantially year over year due to a couple of large projects yet to be closed out.

Deferred Gas Costs: Down slightly month over month and up year over year. Are still in a good position since we are now in the heating season.

Gas stored underground: Down month over month since withdrawals have begun in the heating season. In line with previous year.

Change in cash flow: Change in cash flow is attributable to change in current liabilities 5.9M, cap ex (\$3.4M), Accounts receivables (\$16.5M), value of gas stored underground (\$31.2M) and related deferred income tax (\$7.5M).

* Note: Represents changes in working capital and other long-term accounts, less capital expenditures, depreciation, and deferred taxes. This measure is not representative of cash flows prepared in accordance with US GAAP.



Atmos Energy Corporation

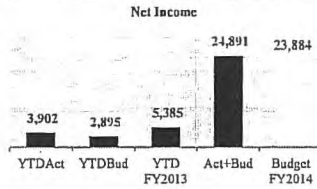
KY/Mid-States Division

Summary - Financial Results

For the Period Ended November 30, 2013

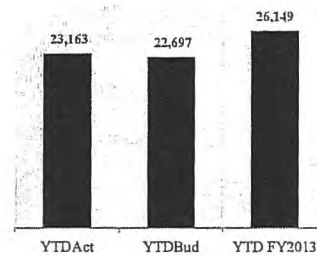
(\$000's)

S U M M A R Y



	MTD				QTD				YTD			
	Actual	Budget	Fav/Unfav	FY2013	Actual	Budget	Fav/Unfav	FY2013	Actual	Budget	Fav/Unfav	FY2013
Net Income	2,719	2,445	274	3,638	3,902	2,895	1,007	5,385	3,902	2,895	1,007	5,385
Gross Profit	12,992	12,590	402	14,705	23,163	22,697	466	26,149	23,163	22,697	466	26,149
O&M exc Bad Debt	3,827	4,014	187	4,455	7,864	9,055	1,191	8,716	7,864	9,055	1,191	8,716
Capital Expenditures	6,476	7,477	1,001	5,109	11,705	16,123	4,418	8,450	11,705	16,123	4,418	8,450

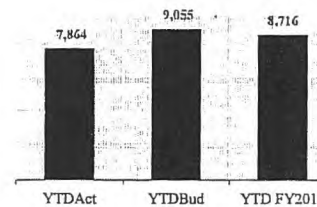
G R O S S P R O F I T



MTD: Weather related margins are \$345k better than budget. Consumption related margins are a negative (\$56k) because of lower than budgeted heat load factors. Budgeted customer variance is \$116k favorable. Other operating revenue is (\$33k) worse than budget and transportation margins are (\$117k) worse than budget. Margins related to price, rate case variance, banner adjustments, and oracle additions are \$147k better than budget.

YTD: Weather related margins are \$134k better than budget. Consumption related margins are a positive \$56k because of higher than budgeted heat load factors. Budgeted customer variance is \$212k favorable. Other operating revenue is (\$20k) worse than budget and transportation margins are (\$16k) worse than budget. Margins related to price, rate case variance, banner adjustments, and oracle additions are \$100k better than budget.

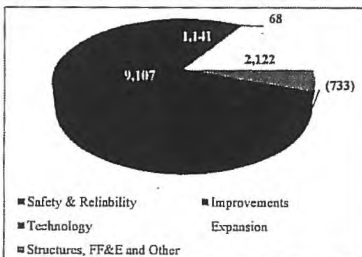
O & M e x c B A D D E B T



MTD: SSU direct favorable (\$216k), SSU billing unfavorable \$105k, Labor unfavorable \$12k due to overtime, Benefits unfavorable \$135k due mainly to variance, timing is the cause for all the following variances, Outside services (\$171) contact labor/legal, Materials/supplies (\$16k), Rent/Utilities (\$16k), Employee travel (\$35k), Vehicles (\$26k) and IT, Employee welfare & Insurance a combined \$(23k).

YTD: SSU direct favorable (\$463k), SSU billing favorable (\$213k), Labor unfavorable \$21k due mainly to overtime, Benefits favorable (\$454k) due to variance, Employee travel favorable (\$69k), timing and Vehicles favorable (\$38k) timing.

C A P I T A L E X P E N D I T U R E S



MTD: Structures favorable (\$895k) due to timing of Danville office and System Integrity favorable (\$383k) due to timing of KY PRP.

YTD: Structures favorable (\$956k) due to timing of Danville office, System Integrity favorable (\$2,374k) due mainly to timing of KY PRP and Accruals favorable (\$880k).



Atmos Energy Corporation KY/Mid-States Division Income Statement - Comparative

For the Period Ended November 30, 2013

(\$000's)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Gross profit:												
Delivered gas	10,788	10,236	552	12,219	18,556	18,054	502	21,276	18,556	18,054	502	21,276
Transportation	1,957	2,074	(117)	2,126	4,050	4,065	(15)	4,118	4,050	4,065	(15)	4,118
Other revenue	247	280	(33)	360	557	578	(21)	755	557	578	(21)	755
Total gross profit	12,992	12,590	402	14,705	23,163	22,697	466	26,149	23,163	22,697	466	26,149
Operating expenses:												
Operation & maintenance	3,827	4,014	187	4,455	7,864	9,055	1,191	8,716	7,864	9,055	1,191	8,716
Provision for bad debts	52	50	(2)	68	90	89	(1)	116	90	89	(1)	116
Total O&M expense	3,879	4,064	185	4,523	7,954	9,144	1,190	8,832	7,954	9,144	1,190	8,832
Depreciation & amortization	2,305	2,378	73	2,519	4,606	4,743	137	5,033	4,606	4,743	137	5,033
Taxes, other than income	1,072	1,013	(59)	1,123	1,981	1,951	(30)	2,114	1,981	1,951	(30)	2,114
Total operating expenses	7,256	7,455	199	8,165	14,541	15,838	1,297	15,979	14,541	15,838	1,297	15,979
Operating income	5,736	5,135	601	6,540	8,622	6,859	1,763	10,170	8,622	6,859	1,763	10,170
Other income (expense):												
Interest, net	(1,140)	(1,183)	43	(1,248)	(2,272)	(2,365)	93	(2,509)	(2,272)	(2,365)	93	(2,509)
Miscellaneous income (expense), net	(31)	152	(183)	70	200	366	(166)	277	200	366	(166)	277
Total other income (expense)	(1,171)	(1,031)	(140)	(1,178)	(2,072)	(1,999)	(73)	(2,232)	(2,072)	(1,999)	(73)	(2,232)
Income (loss) before income taxes	4,565	4,104	461	5,362	6,550	4,860	1,690	7,938	6,550	4,860	1,690	7,938
Provision/(Benefit) for income taxes	1,846	1,659	(187)	1,724	2,648	1,965	(683)	2,553	2,648	1,965	(683)	2,553
Net income (loss)	2,719	2,445	274	3,638	3,902	2,895	1,007	5,385	3,902	2,895	1,007	5,385
EBIT - Actual	5,705	5,287	418	6,610	8,822	7,225	1,597	10,447	8,822	7,225	1,597	10,447
Degree Days - % of Normal <i>(adjusted for WNA States)</i>	101%			100%	99%			104%	99%			104%



Atmos Energy Corporation KY/Mid-States Division Total Spending- Comparative

For the Period Ended November 30, 2013
(\$000's)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Labor	963	1,028	65	1,224	1,970	2,145	175	2,439	1,970	2,145	175	2,439
Benefits	689	584	(105)	500	688	1,216	528	860	688	1,216	528	860
Employee Welfare	140	147	7	138	256	270	14	241	256	270	14	241
Insurance	33	39	6	36	73	78	5	84	73	78	5	84
Rent, Maint., & Utilities	127	148	21	153	272	296	24	267	272	296	24	267
Vehicles & Equip	141	167	26	199	307	345	38	387	307	345	38	387
Materials & Supplies	86	102	16	77	208	215	7	189	208	215	7	189
Information Technologies	2	12	10	7	7	24	17	13	7	24	17	13
Telecom	70	72	2	70	113	142	29	112	113	142	29	112
Marketing	61	44	(17)	29	87	90	3	117	87	90	3	117
Directors & Shareholders & PR	-	1	1	-	-	1	1	-	-	1	1	-
Dues & Donations	23	17	(6)	28	37	52	15	59	37	52	15	59
Print & Postages	2	4	2	5	5	8	3	8	5	8	3	8
Travel & Entertainment	75	109	34	100	120	186	66	163	120	186	66	163
Training	6	10	4	6	10	21	11	10	10	21	11	10
Outside Services	444	726	282	687	1,221	1,320	99	1,479	1,221	1,320	99	1,479
Miscellaneous	62	5	(57)	11	66	11	(55)	(27)	66	11	(55)	(27)
	<u>2,924</u>	<u>3,215</u>	<u>291</u>	<u>3,270</u>	<u>5,440</u>	<u>6,420</u>	<u>980</u>	<u>6,401</u>	<u>5,440</u>	<u>6,420</u>	<u>980</u>	<u>6,401</u>
Expense Billings	903	799	(104)	1,185	2,424	2,635	211	2,315	2,424	2,635	211	2,315
	<u>3,827</u>	<u>4,014</u>	<u>187</u>	<u>4,455</u>	<u>7,864</u>	<u>9,055</u>	<u>1,191</u>	<u>8,716</u>	<u>7,864</u>	<u>9,055</u>	<u>1,191</u>	<u>8,716</u>
Provision for Bad Debt	52	50	(2)	68	90	89	(1)	116	90	89	(1)	116
Total O&M Expense	3,879	4,064	185	4,523	7,954	9,144	1,190	8,832	7,954	9,144	1,190	8,832
Total Capital Expenditures	6,476	7,477	1,001	5,109	11,705	16,123	4,418	8,450	11,705	16,123	4,418	8,450
Total Spending	10,355	11,541	1,186	9,632	19,659	25,267	5,608	17,282	19,659	25,267	5,608	17,282
Labor Capitalization Rates	55.3%	54.7%	0.6%	53.6%	55.9%	54.8%	1.1%	54.2%	55.9%	54.8%	1.1%	54.2%



Atmos Energy Corporation KY/Mid-States Division Statistical Information

For the Period Ended November 30, 2013
(*\$000's*)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Volumes (Mmcf):												
Residential	1,438	1,259	179	1,772	1,812	1,762	50	2,383	1,812	1,762	50	2,383
Commercial	972	785	187	1,042	1,473	1,271	202	1,624	1,473	1,271	202	1,624
Industrial	315	229	86	404	469	379	90	745	469	379	90	745
Public Authorities	100	96	4	115	143	150	(7)	181	143	150	(7)	181
Irrigation	-	-	0	-	-	-	0	-	-	-	0	-
Unbilled	1,092	932	160	1,047	1,518	1,295	223	1,513	1,518	1,295	223	1,513
Total gas distribution volumes	3,917	3,301	616	4,380	5,415	4,857	558	6,446	5,415	4,857	558	6,446
Transportation volumes	3,237	3,470	(233)	3,547	6,489	6,824	(335)	6,966	6,489	6,824	(335)	6,966
Total throughput	7,154	6,771	383	7,927	11,904	11,681	223	13,412	11,904	11,681	223	13,412
Customers (000's):												
Residential	290	285	5	339	290	284	6	338	290	284	6	338
Commercial	38	37	1	42	37	37	0	41	37	37	0	41
Industrial	1	1	0	1	1	1	0	1	1	1	0	1
Public Authorities	2	2	0	2	2	2	0	2	2	2	0	2
Irrigation	-	-	0	-	-	-	0	-	-	-	0	-
Total Customers	331	325	6	384	330	324	6	382	330	324	6	382
Employee Count (12-month average)	423			534								
Customer per Employee	783			719								



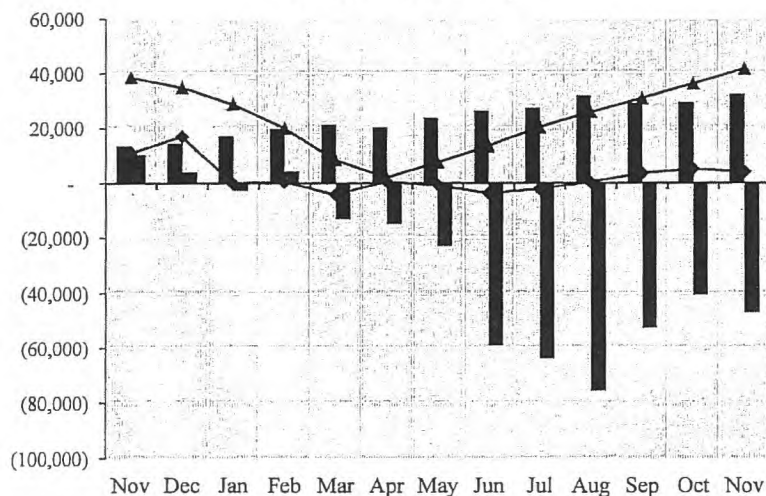
Atmos Energy Corporation

KY/Mid-States Division

Key Balance Sheet Accounts

For the Period Ended November 30, 2013
(\$000's)

13-Month Trending



Construction Work in Progress
 Measure of Cash Flow
 Gas Stored Underground
 Deferred Gas Costs

Total PP&E	937,727
Net Prop, Plant and Equip	571,024
Construction Work in Progress	32,388
Deferred Gas Costs	4,069
Accts Rec, Less Allow for Doubtful Accts	38,033
Accts Rec, Over 90 Days	
Gas Stored Underground	41,605
Customers' Deposits	6,389
Bad Debt Provision as a Percentage of Revenues	0.19%
Measure of Cash Flow *	(47,123)
Change in cash flow from prior year November	(57,463)

Comments:

CWIP: Up slightly month over month and up year over year due to several large projects.

Deferred Gas Costs: Up slightly month over month and up year over year. Remain in a good position going into the heating season.

Gas stored underground: Up slightly month over month and in line with previous year.

Change in cash flow: Change in cash flow is attributable to change in current liabilities (\$3.4M), cap ex (\$3.3M), Acct Rec (\$9.4M), value of gas stored underground (\$33.6M) and related deferred income taxes (\$4.8M).

* Note: Represents changes in working capital and other long-term accounts, less capital expenditures, depreciation, and deferred taxes. This measure is not representative of cash flows prepared in accordance with US GAAP.

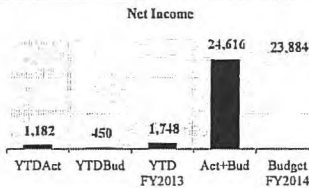
Atmos Energy Corporation

KY/Mid-States Division

Summary - Financial Results

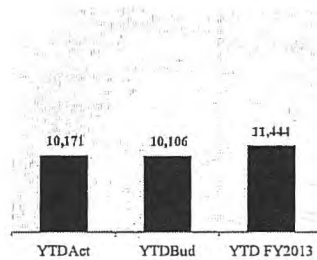
For the Period Ended October 31, 2013
(*\$000's*)

S U M M A R Y



	MTD				QTD				YTD			
	Actual	Budget	Fav/Unfav	FY2013	Actual	Budget	Fav/Unfav	FY2013	Actual	Budget	Fav/Unfav	FY2013
Net Income	1,182	450	732	1,748	1,182	450	732	1,748	1,182	450	732	1,748
Gross Profit	10,171	10,106	65	11,444	10,171	10,106	65	11,444	10,171	10,106	65	11,444
O&M exc Bad Debt	4,036	5,040	1,004	4,263	4,036	5,040	1,004	4,263	4,036	5,040	1,004	4,263
Capital Expenditures	5,229	8,646	3,417	3,340	5,229	8,646	3,417	3,340	5,229	8,646	3,417	3,340

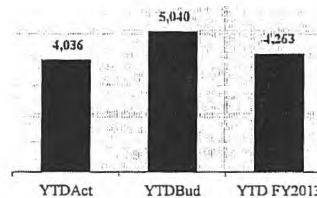
G R O S S P R O F I T



MTD: Weather related margins are \$220k better than budget. Consumption related margins are a negative (\$319k) because of lower than budgeted heat load factors. Budgeted customer variance is \$96k favorable. Other operating revenue is \$13k better than budget and transportation margins are \$101k better than budget. Margins related to price, banner adjustments, unbilled, and oracle additions are (\$47k) worse than budget.

YTD: Weather related margins are \$220k better than budget. Consumption related margins are a negative (\$319k) because of lower than budgeted heat load factors. Budgeted customer variance is \$96k favorable. Other operating revenue is \$13k better than budget and transportation margins are \$101k better than budget. Margins related to price, banner adjustments, unbilled, and oracle additions are (\$47k) worse than budget.

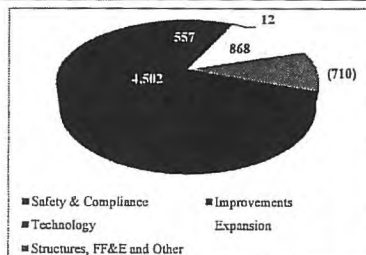
O & M exc B A D D E B T



MTD: SSU direct favorable (\$247k), SSU billing favorable (\$315k), Labor unfavorable \$9k due to lump sum increases, Benefits favorable (\$589k) due to variance, Outside services unfavorable \$235k due to legal, Telecom favorable (\$22k), Employee travel favorable (\$33k) and Dues favorable (\$18k) all due to timing.

YTD: SSU direct favorable (\$247k), SSU billing favorable (\$315k), Labor unfavorable \$9k due to lump sum increases, Benefits favorable (\$589k) due to variance, Outside services unfavorable \$235k due to legal, Telecom favorable (\$22k), Employee travel favorable (\$33k) and Dues favorable (\$18k) all due to timing.

C A P I T A L E X P E N D I T U R E S



MTD: System integrity favorable (\$1,991k) due to KY PRP, Triplett IP and Cardinal Club project timing and timing of Old Nashville Hwy in TN, Equipment favorable (\$366k) due to timing in all areas and Overhead/accr favorable (\$761k).

YTD: System integrity favorable (\$1,991k) due to KY PRP, Triplett IP and Cardinal Club project timing and timing of Old Nashville Hwy in TN, Equipment favorable (\$366k) due to timing in all areas and Overhead/accr favorable (\$761k).



Atmos Energy Corporation KY/Mid-States Division Income Statement - Comparative

For the Period Ended October 31, 2013

(\$000's)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Gross profit:												
Delivered gas	7,768	7,818	(50)	9,058	7,768	7,818	(50)	9,058	7,768	7,818	(50)	9,058
Transportation	2,093	1,991	102	1,991	2,093	1,991	102	1,991	2,093	1,991	102	1,991
Other revenue	310	297	13	395	310	297	13	395	310	297	13	395
Total gross profit	10,171	10,106	65	11,444	10,171	10,106	65	11,444	10,171	10,106	65	11,444
Operating expenses:												
Operation & maintenance	4,036	5,040	1,004	4,263	4,036	5,040	1,004	4,263	4,036	5,040	1,004	4,263
Provision for bad debts	39	39	0	48	39	39	0	48	39	39	0	48
Total O&M expense	4,075	5,079	1,004	4,311	4,075	5,079	1,004	4,311	4,075	5,079	1,004	4,311
Depreciation & amortization	2,301	2,366	65	2,513	2,301	2,366	65	2,513	2,301	2,366	65	2,513
Taxes, other than income	910	938	28	991	910	938	28	991	910	938	28	991
Total operating expenses	7,286	8,383	1,097	7,815	7,286	8,383	1,097	7,815	7,286	8,383	1,097	7,815
Operating income	2,885	1,723	1,162	3,629	2,885	1,723	1,162	3,629	2,885	1,723	1,162	3,629
Other income (expense):												
Interest, net	(1,132)	(1,182)	50	(1,260)	(1,132)	(1,182)	50	(1,260)	(1,132)	(1,182)	50	(1,260)
Miscellaneous income (expense), net	231	215	16	208	231	215	16	208	231	215	16	208
Total other income (expense)	(901)	(967)	66	(1,052)	(901)	(967)	66	(1,052)	(901)	(967)	66	(1,052)
Income (loss) before income taxes	1,984	756	1,228	2,577	1,984	756	1,228	2,577	1,984	756	1,228	2,577
Provision/(Benefit) for income taxes	802	306	(496)	829	802	306	(496)	829	802	306	(496)	829
Net income (loss)	1,182	450	732	1,748	1,182	450	732	1,748	1,182	450	732	1,748
EBIT - Actual	3,116	1,938	1,178	3,837	3,116	1,938	1,178	3,837	3,116	1,938	1,178	3,837
Degree Days - % of Normal <i>(adjusted for WNA States)</i>	95%			113%	95%			113%	95%			113%



Atmos Energy Corporation KY/Mid-States Division Total Spending- Comparative

For the Period Ended October 31, 2013
(\$000's)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Labor	1,007	1,117	110	1,215	1,007	1,117	110	1,215	1,007	1,117	110	1,215
Benefits	(1)	632	633	360	(1)	632	633	360	(1)	632	633	360
Employee Welfare	116	123	7	103	116	123	7	103	116	123	7	103
Insurance	40	39	(1)	48	40	39	(1)	48	40	39	(1)	48
Rent, Maint., & Utilities	145	148	3	115	145	148	3	115	145	148	3	115
Vehicles & Equip	166	178	12	189	166	178	12	189	166	178	12	189
Materials & Supplies	121	113	(8)	111	121	113	(8)	111	121	113	(8)	111
Information Technologies	5	12	7	6	5	12	7	6	5	12	7	6
Telecom	43	70	27	42	43	70	27	42	43	70	27	42
Marketing	26	45	19	89	26	45	19	89	26	45	19	89
Directors & Shareholders & PR	-	1	1	-	-	1	1	-	-	1	1	-
Dues & Donations	13	35	22	32	13	35	22	32	13	35	22	32
Print & Postages	4	4	0	3	4	4	0	3	4	4	0	3
Travel & Entertainment	45	77	32	63	45	77	32	63	45	77	32	63
Training	4	11	7	4	4	11	7	4	4	11	7	4
Outside Services	777	594	(183)	791	777	594	(183)	791	777	594	(183)	791
Miscellaneous	4	5	1	(38)	4	5	1	(38)	4	5	1	(38)
	<u>2,515</u>	<u>3,204</u>	<u>689</u>	<u>3,133</u>	<u>2,515</u>	<u>3,204</u>	<u>689</u>	<u>3,133</u>	<u>2,515</u>	<u>3,204</u>	<u>689</u>	<u>3,133</u>
Expense Billings	<u>1,521</u>	<u>1,836</u>	<u>315</u>	<u>1,130</u>	<u>1,521</u>	<u>1,836</u>	<u>315</u>	<u>1,130</u>	<u>1,521</u>	<u>1,836</u>	<u>315</u>	<u>1,130</u>
	<u>4,036</u>	<u>5,040</u>	<u>1,004</u>	<u>4,263</u>	<u>4,036</u>	<u>5,040</u>	<u>1,004</u>	<u>4,263</u>	<u>4,036</u>	<u>5,040</u>	<u>1,004</u>	<u>4,263</u>
Provision for Bad Debt	<u>39</u>	<u>39</u>	<u>0</u>	<u>48</u>	<u>39</u>	<u>39</u>	<u>0</u>	<u>48</u>	<u>39</u>	<u>39</u>	<u>0</u>	<u>48</u>
Total O&M Expense	<u>4,075</u>	<u>5,079</u>	<u>1,004</u>	<u>4,311</u>	<u>4,075</u>	<u>5,079</u>	<u>1,004</u>	<u>4,311</u>	<u>4,075</u>	<u>5,079</u>	<u>1,004</u>	<u>4,311</u>
Total Capital Expenditures	<u>5,229</u>	<u>8,646</u>	<u>3,417</u>	<u>3,340</u>	<u>5,229</u>	<u>8,646</u>	<u>3,417</u>	<u>3,340</u>	<u>5,229</u>	<u>8,646</u>	<u>3,417</u>	<u>3,340</u>
Total Spending	<u>9,304</u>	<u>13,725</u>	<u>4,421</u>	<u>7,651</u>	<u>9,304</u>	<u>13,725</u>	<u>4,421</u>	<u>7,651</u>	<u>9,304</u>	<u>13,725</u>	<u>4,421</u>	<u>7,651</u>
Labor Capitalization Rates	56.7%	54.9%	1.8%	55.2%	56.7%	54.9%	1.8%	55.2%	56.7%	54.9%	1.8%	55.2%



Atmos Energy Corporation

KY/Mid-States Division

Statistical Information

For the Period Ended October 31, 2013
(\$000's)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013	FY2014	Budget	Fav/Unfav	FY2013
Volumes (Mmcf):												
Residential	374	503	(129)	611	374	503	(129)	611	374	503	(129)	611
Commercial	501	487	14	582	501	487	14	582	501	487	14	582
Industrial	153	149	4	341	153	149	4	341	153	149	4	341
Public Authorities	43	55	(12)	66	43	55	(12)	66	43	55	(12)	66
Irrigation	-	-	0	-	-	-	0	-	-	-	0	-
Unbilled	428	362	66	465	428	362	66	465	428	362	66	465
Total gas distribution volumes	1,499	1,556	(57)	2,065	1,499	1,556	(57)	2,065	1,499	1,556	(57)	2,065
Transportation volumes	3,252	3,354	(102)	3,419	3,252	3,354	(102)	3,419	3,252	3,354	(102)	3,419
Total throughput	4,751	4,910	(159)	5,484	4,751	4,910	(159)	5,484	4,751	4,910	(159)	5,484
Customers (000's):												
Residential	289	283	6	337	289	283	6	337	289	283	6	337
Commercial	37	37	0	41	37	37	0	41	37	37	0	41
Industrial	1	1	0	1	1	1	0	1	1	1	0	1
Public Authorities	2	2	0	2	2	2	0	2	2	2	0	2
Irrigation	-	-	0	-	-	-	0	-	-	-	0	-
Total Customers	329	323	6	381	329	323	6	381	329	323	6	381
Employee Count (12-month average)	428			543								
Customer per Employee	769			702								



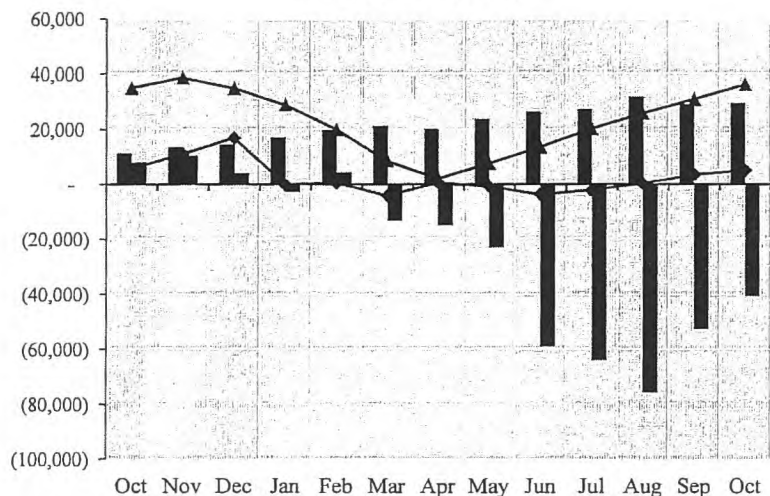
Atmos Energy Corporation

KY/Mid-States Division

Key Balance Sheet Accounts

For the Period Ended October 31, 2013
(\$000's)

13-Month Trending



Construction Work in Progress
 Measure of Cash Flow
 Gas Stored Underground
 Deferred Gas Costs

Total PP&E	932,014
Net Prop, Plant and Equip	566,651
Construction Work in Progress	29,452
Deferred Gas Costs	4,998
Accts Rec, Less Allow for Doubtful Accts	21,069
Accts Rec, Over 90 Days	
Gas Stored Underground	36,186
Customers' Deposits	6,408
Bad Debt Provision as a Percentage of Revenues	0.24%
Measure of Cash Flow *	(40,694)
Change in cash flow from prior year October	(48,647)

Comments:

CWIP: In line with previous month and up year over year due to several large projects.

Deferred Gas Costs: Down slightly month over month and up slightly year over year. Are still in a good position going into the heating season.

Gas stored underground: Up slightly month over month and in line with historical trends as we continue to store for the upcoming winter heating season.

Change in cash flow: Change in cash flow is attributable to the change in deferred gas costs (\$5.8M), Acct Rec (\$6.5M), value of gas stored underground (\$28.1M) and related deferred income taxes (\$4.8M).

* Note: Represents changes in working capital and other long-term accounts, less capital expenditures, depreciation, and deferred taxes. This measure is not representative of cash flows prepared in accordance with US GAAP.

Atmos Energy Corporation

KY/Mid-States Division

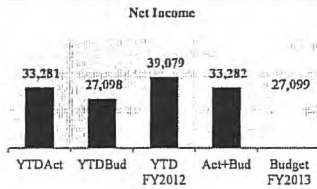
Summary - Financial Results

For the Period Ended September 30, 2013

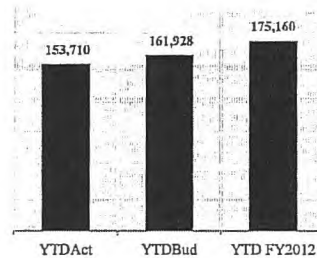
(\$000's)

S U M M A R Y

	MTD				QTD				YTD			
	Actual	Budget	Fav/Unfav	FY2012	Actual	Budget	Fav/Unfav	FY2012	Actual	Budget	Fav/Unfav	FY2012
Net Income	(1,912)	300	(2,212)	12,106	(2,205)	317	(2,522)	12,848	33,281	27,098	6,183	39,079
Gross Profit	8,760	9,734	(974)	9,226	24,725	29,152	(4,427)	29,511	153,710	161,928	(8,218)	175,160
O&M exc Bad Debt	5,855	4,485	(1,370)	5,520	14,213	13,835	(378)	15,417	54,795	56,429	1,634	65,297
Capital Expenditures	8,677	5,026	(3,651)	10,969	23,570	18,103	(5,467)	26,784	77,421	82,040	4,619	83,871



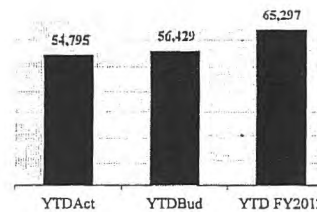
G R O S S P R O F I T



MTD: Weather related margins are \$45k better than budget. Consumption related margins are a positive \$113k because of higher than budgeted heat load factors. Budgeted customer variance is \$110k favorable. Other operating revenue is (\$5k) worse than budget and transportation margins are (\$36k) worse than budget. Margins related to price, rate case variance, banner adjustments, and oracle additions are (\$1,201k) worse than budget. Variances above reflect the sale of Georgia properties. Impact of sale had a total variance of (\$1,723k).

YTD: Weather related margins are (\$122k) worse than budget. Consumption related margins are a positive \$1,088k because of higher than budgeted heat load factors. Budgeted customer variance is \$176k favorable. Other operating revenue is (\$720k) worse than budget and transportation margins are \$321k better than budget. Margins related to price, rate case variance, banner adjustments, and oracle additions are (\$8,966k) worse than budget. Variances above reflect the sale of Georgia properties. Impact of sale had a total variance of (\$10,636).

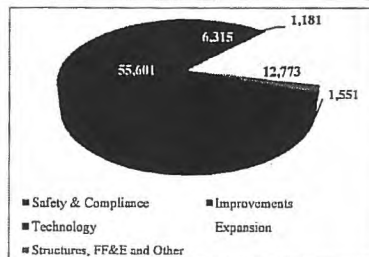
O & M exc BAD DEBT



MTD: SSU direct unfavorable \$40k, SSU billing unfavorable \$643k, Labor favorable (\$190k) due to GA and cap rate 5.1%, Benefits favorable (\$50k) due to GA and cap rate, Outside services unfavorable \$398k due to contractor labor/legal (Blacksburg VA incident), Vehicles favorable (\$120k) due to GA impact/lower vehicle/equip leases/costs/impact of renewal credit, Materials unfavorable \$171k under budgeted and Employee welfare unfavorable \$473k due to MIP/VPP/restricted stock.

YTD: SSU direct unfavorable \$187k, SSU billing favorable (\$1,634k), Labor favorable (\$846k) due mainly to GA, Benefits favorable (\$1,407k) due to GA and variance, Employee welfare unfavorable \$565k due to MIP/VPP/restricted stock, Insurance favorable (\$148k) better than budget, Materials unfavorable \$247k under budgeted, Misc unfavorable \$430k due to difference in budget and actual for transition costs, Outside services unfavorable \$1,410k due to transmission line assessment, legal, contract labor and LNG decommission, Rents/Utilities favorable (\$140k) GA impact/company use gas, Telecom favorable (\$129k) lower WAN/LAN costs, Employee travel unfavorable \$199k due to CSS training and Vehicles favorable (\$309k) due to GA impact lower lease/operating costs and impact of renew credit.

C A P I T A L E X P E N D I T U R E S



MTD: System Integrity unfavorable \$1,980k due to timing of KY PRP, Public Improvement unfavorable \$570k due to timing of Joe B Jackson Pkwy in TN and OH/accr unfavorable \$1,198k.

YTD: Growth unfavorable \$1,694k due to Glen Gables in KY and functionals in TN & VA, System Integrity favorable (\$3,269k) due to GA and VA SAVE, Public Improvements favorable (\$1,251k) due to GA and System Improvements favorable (\$1,883k) due to Split Log Rd, Rutherford Blvd & Johnson City reinforcement in TN, GA & riser replacement/Hillman Hwy in VA.



Atmos Energy Corporation

KY/Mid-States Division

Income Statement - Comparative

For the Period Ended September 30, 2013

(\$000's)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2013	Budget	Fav/Unfav	FY2012	FY2013	Budget	Fav/Unfav	FY2012	FY2013	Budget	Fav/Unfav	FY2012
Gross profit:												
Delivered gas	6,797	7,730	(933)	7,368	19,240	23,357	(4,117)	23,763	127,005	134,821	(7,816)	146,777
Transportation	1,732	1,768	(36)	1,628	5,102	5,183	(81)	5,088	23,668	23,349	319	24,127
Other revenue	231	236	(5)	230	383	612	(229)	660	3,037	3,758	(721)	4,256
Total gross profit	8,760	9,734	(974)	9,226	24,725	29,152	(4,427)	29,511	153,710	161,928	(8,218)	175,160
Operating expenses:												
Operation & maintenance	5,855	4,485	(1,370)	5,520	14,213	13,835	(378)	15,417	54,795	56,429	1,634	65,297
Provision for bad debts	354	41	(313)	112	424	123	(301)	202	1,194	746	(448)	1,043
Total O&M expense	6,209	4,526	(1,683)	5,632	14,637	13,958	(679)	15,619	55,989	57,175	1,186	66,340
Depreciation & amortization	2,453	2,845	392	2,719	7,001	8,299	1,298	8,243	28,804	31,916	3,112	35,355
Taxes, other than income	909	965	56	953	2,623	2,936	313	3,061	12,112	12,705	593	14,395
Total operating expenses	9,571	8,336	(1,235)	9,304	24,261	25,193	932	26,923	96,905	101,796	4,891	116,090
Operating income	(811)	1,398	(2,209)	(78)	464	3,959	(3,495)	2,588	56,805	60,132	(3,327)	59,070
Other income (expense):												
Interest, net	(1,176)	(1,433)	257	(1,221)	(3,538)	(4,255)	717	(4,058)	(14,540)	(16,482)	1,942	(17,619)
Miscellaneous income (expense), net	229	542	(313)	9,945	876	833	43	11,358	13,617	2,256	11,361	12,291
Total other income (expense)	(947)	(891)	(56)	8,724	(2,662)	(3,422)	760	7,300	(923)	(14,226)	13,303	(5,328)
Income (loss) before income taxes	(1,758)	507	(2,265)	8,646	(2,198)	537	(2,735)	9,888	55,882	45,906	9,976	53,742
Provision/(Benefit) for income taxes	154	207	53	(3,460)	7	220	213	(2,960)	22,601	18,808	(3,793)	14,663
Net income (loss)	(1,912)	300	(2,212)	12,106	(2,205)	317	(2,522)	12,848	33,281	27,098	6,183	39,079
EBIT - Actual	(582)	1,940	(2,522)	9,867	1,340	4,792	(3,452)	13,946	70,422	62,388	8,034	71,361
Degree Days - % of Normal <i>(adjusted for WNA States)</i>	21%			108%	21%			108%	100%			94%



Atmos Energy Corporation KY/Mid-States Division Total Spending- Comparative

For the Period Ended September 30, 2013
(\$000's)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2013	Budget	Fav/Unfav	FY2012	FY2013	Budget	Fav/Unfav	FY2012	FY2013	Budget	Fav/Unfav	FY2012
Labor	955	1,126	171	874	2,967	3,515	548	3,528	13,221	13,894	673	16,168
Benefits	656	697	41	570	1,897	2,173	276	2,156	7,245	8,593	1,348	8,446
Employee Welfare	530	48	(482)	362	614	141	(473)	447	1,630	1,034	(596)	1,452
Insurance	44	54	10	63	122	162	40	146	488	636	148	642
Rent, Maint., & Utilities	168	168	0	245	450	503	53	500	1,897	1,989	92	2,441
Vehicles & Equip	73	194	121	77	336	580	244	467	1,985	2,295	310	2,578
Materials & Supplies	272	101	(171)	129	503	302	(201)	396	1,457	1,209	(248)	1,439
Information Technologies	11	10	(1)	15	21	29	8	33	131	157	26	163
Telecom	83	80	(3)	76	206	240	34	263	841	986	145	1,057
Marketing	16	41	25	68	129	122	(7)	143	521	466	(55)	713
Directors & Shareholders & PR	-	-	0	1	-	-	0	1	1	1	0	2
Dues & Donations	30	15	(15)	15	61	48	(13)	60	366	372	6	442
Print & Postages	3	6	3	5	9	17	8	14	47	69	22	62
Travel & Entertainment	141	84	(57)	118	312	247	(65)	292	1,224	997	(227)	1,110
Training	6	9	3	9	18	24	6	28	88	145	57	117
Outside Services	1,006	609	(397)	1,543	2,460	1,846	(614)	3,113	9,050	7,640	(1,410)	10,860
Miscellaneous	(15)	10	25	12	36	75	39	270	99	(192)	(291)	684
	<u>3,979</u>	<u>3,252</u>	<u>(727)</u>	<u>4,182</u>	<u>10,141</u>	<u>10,024</u>	<u>(117)</u>	<u>11,857</u>	<u>40,291</u>	<u>40,291</u>	<u>0</u>	<u>48,376</u>
Expense Billings	<u>1,876</u>	<u>1,233</u>	<u>(643)</u>	<u>1,338</u>	<u>4,072</u>	<u>3,811</u>	<u>(261)</u>	<u>3,560</u>	<u>14,504</u>	<u>16,138</u>	<u>1,634</u>	<u>16,921</u>
	<u>5,855</u>	<u>4,485</u>	<u>(1,370)</u>	<u>5,520</u>	<u>14,213</u>	<u>13,835</u>	<u>(378)</u>	<u>15,417</u>	<u>54,795</u>	<u>56,429</u>	<u>1,634</u>	<u>65,297</u>
Provision for Bad Debt	<u>354</u>	<u>41</u>	<u>(313)</u>	<u>112</u>	<u>424</u>	<u>123</u>	<u>(301)</u>	<u>202</u>	<u>1,194</u>	<u>746</u>	<u>(448)</u>	<u>1,043</u>
Total O&M Expense	<u>6,209</u>	<u>4,526</u>	<u>(1,683)</u>	<u>5,632</u>	<u>14,637</u>	<u>13,958</u>	<u>(679)</u>	<u>15,619</u>	<u>55,989</u>	<u>57,175</u>	<u>1,186</u>	<u>66,340</u>
Total Capital Expenditures	<u>8,677</u>	<u>5,026</u>	<u>(3,651)</u>	<u>10,969</u>	<u>23,570</u>	<u>18,103</u>	<u>(5,467)</u>	<u>26,784</u>	<u>77,421</u>	<u>82,040</u>	<u>4,619</u>	<u>83,871</u>
Total Spending	<u>14,886</u>	<u>9,552</u>	<u>(5,334)</u>	<u>16,601</u>	<u>38,207</u>	<u>32,061</u>	<u>(6,146)</u>	<u>42,403</u>	<u>133,410</u>	<u>139,215</u>	<u>5,805</u>	<u>150,211</u>
Labor Capitalization Rates	57.2%	54.1%	3.0%	57.1%	57.3%	54.2%	3.2%	55.8%	54.6%	54.4%	0.2%	53.5%



Atmos Energy Corporation

KY/Mid-States Division

Statistical Information

For the Period Ended September 30, 2013
(\$000's)

	Month-to-Date				Quarter-to-Date				Year-to-Date			
	FY2013	Budget	Fav/Unfav	FY2012	FY2013	Budget	Fav/Unfav	FY2012	FY2013	Budget	Fav/Unfav	FY2012
Volumes (Mmcf):												
Residential	313	363	(50)	354	936	1,093	(157)	1,189	20,771	21,516	(745)	20,906
Commercial	402	418	(16)	462	1,124	1,261	(137)	1,440	12,576	12,857	(281)	13,144
Industrial	146	242	(96)	320	458	715	(257)	981	3,592	3,981	(389)	4,960
Public Authorities	41	34	7	41	129	104	25	111	1,381	1,336	45	1,157
Irrigation	-	-	0	-	-	-	0	-	-	-	0	-
Unbilled	(9)	(1)	(8)	20	(1)	(9)	8	(51)	163	(6)	169	(69)
Total gas distribution volumes	893	1,056	(163)	1,197	2,646	3,164	(518)	3,670	38,483	39,684	(1,201)	40,098
Transportation volumes	2,672	3,012	(340)	2,785	8,780	8,918	(138)	9,087	40,489	39,927	562	43,592
Total throughput	3,565	4,068	(503)	3,982	11,426	12,082	(656)	12,757	78,972	79,611	(639)	83,690
Customers (000's):												
Residential	288	334	(46)	335	289	336	(47)	359	316	341	(25)	399
Commercial	37	41	(4)	40	37	41	(4)	43	40	42	(2)	49
Industrial	1	1	0	1	1	1	0	1	1	1	0	1
Public Authorities	2	2	0	2	2	2	0	3	2	2	0	3
Irrigation	-	-	0	-	-	-	0	-	-	-	0	-
Total Customers	328	378	(50)	378	329	380	(51)	406	359	386	(27)	452
Employee Count (12-month average)	433			552								
Customer per Employee	758			685								



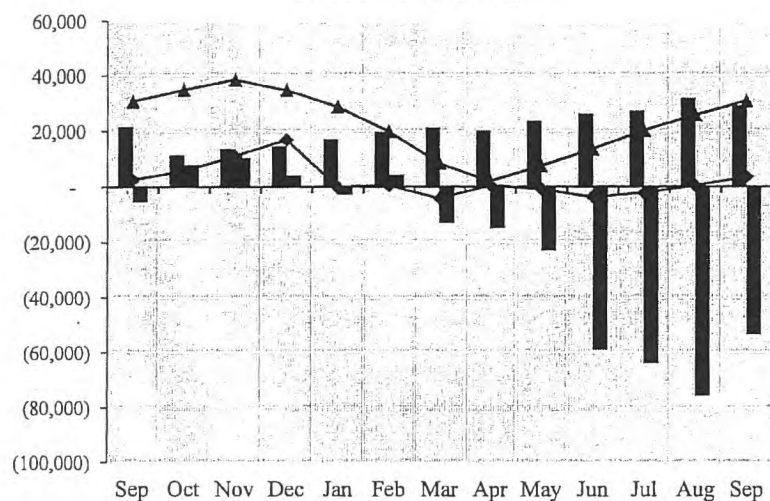
Atmos Energy Corporation

KY/Mid-States Division

Key Balance Sheet Accounts

For the Period Ended September 30, 2013
(\$000's)

13-Month Trending



Construction Work in Progress
 Measure of Cash Flow
 Gas Stored Underground
 Deferred Gas Costs

Total PP&E	927,943
Net Prop, Plant and Equip	563,521
Construction Work in Progress	29,231
Deferred Gas Costs	3,444
Accts Rec, Less Allow for Doubtful Accts	18,894
Accts Rec, Over 90 Days	
Gas Stored Underground	30,913
Customers' Deposits	6,462
Bad Debt Provision as a Percentage of Revenues	0.36%
Measure of Cash Flow *	(53,492)
Change in cash flow from prior year September	(47,928)

Comments:

CWIP: Down slightly month over month due to year end project closings but up year over year.

Deferred Gas Costs: Down slightly month over month and year over year. Continue to be in a good position going into the heating season.

Gas stored underground: Up month over month and in line with prior year.

Change in cash flow: Change in cash flow is attributable to the change in deferred gas costs (\$7.0M), Acct Rec (\$6.6M), change in NI (\$4.9M), value of gas stored underground (\$23.2M) and related deferred income taxes \$19.0M.

* Note: Represents changes in working capital and other long-term accounts, less capital expenditures, depreciation, and deferred taxes. This measure is not representative of cash flows prepared in accordance with US GAAP.

ATMOS ENERGY KENTUCKY DIVISION
STATEMENTS OF INCOME
TWELVE MONTHS ENDED JUNE 30,

(2) Includes certain amounts that are allocated from the general office

Line No.	Description	Actual 12 Mo. Ended June
	Operating revenues	
1	Gas	\$173,785,009
2	Transportation	\$13,510,539
3	Other	\$2,254,629
4	Total operating revenues	<u>\$189,550,177</u>
5	Purchased gas	<u>\$115,551,638</u>
6	Gross Profit	\$73,998,539
	Operating expenses	
7	Operation & maintenance (2)	\$26,834,548
8	Depreciation	\$15,632,487
9	Taxes - other than income taxes	\$4,051,197
10	Income Taxes (1)	\$9,513,686
11	Total operating expenses	<u>\$56,031,918</u>
12	Operating income (loss)	\$17,966,621
	Other income	
13	Merchandise	\$0
14	Interest income (2)	\$94,770
15	Other nonoperating income (2)	\$1,934,868
16	Total other income (loss)	<u>\$2,029,638</u>
17	Income (loss) before interest charges	\$19,996,259
18	Interest charges (2)	<u>\$6,399,308</u>
19	Net income (loss) (1)	<u><u>\$13,596,951</u></u>

Notes:

(1)

Atmos Energy Kentucky Division is an operating division of Atmos Energy Corporation. Income taxes are allocated from the general office and booked as

Atmos' Kentucky operations represent a portion of the Kentucky/Mid-States Division, which is an operating division of Atmos Energy Corporation (Atmos) and therefore does not maintain a separate capital structure. Equity and debt are issued at the Atmos corporate level to support the company-wide operations. Cash is held at the corporate level and transferred to the general office daily and returned as needed. For these reasons, we do not believe we can accurately compile a Kentucky-only balance sheet.