



COMMONWEALTH OF KENTUCKY
OFFICE OF THE ATTORNEY GENERAL

GREGORY D. STUMBO
ATTORNEY GENERAL

1024 CAPITAL CENTER DRIVE
SUITE 200
FRANKFORT, KY 40601-8204

October 31, 2006

RECEIVED

OCT 31 2006

PUBLIC SERVICE
COMMISSION

VIA HAND DELIVERY

Beth O'Donnell, Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, Kentucky 40601

Re: Submission of Attorney General's Response to Atmos' Request No. 3 in
Case No. 2005-00057

Dear Ms. O'Donnell:

As you are well aware, the failure of the Commonwealth's internet accessibility yesterday created a number of difficulties for many agencies, including the Attorney General's Office. As a consequence of that problem, we have discovered that we neglected to supply a copy of the Attorney General's attachment in response to Atmos' Data Request Number Three. We hereby tender same and ask that it be placed into the file.

It is the undersigned's belief that given the timeliness of this submission, especially in light of yesterday's difficulties, that the document will be accepted into the record.

Sincerely,


Lawrence W. Cook
Assistant Attorney General

DGH/lfr
Enclosure
CC: John N. Hughes
124 W. Todd Street
Frankfort, KY 40601

N:\ORNLCook\Public\AtmosOverearing\ODONNELL_Le-RDRAtmosNo3_20061031.doc



ATMOS ENERGY CORPORATION
KENTUCKY JURISDICTION
CALCULATION OF TEST YEAR INCOME TAXES FROM REGULATED OPERATIONS

	<u>Atmos DR-2-3</u>	<u>Corrected</u>
Consolidated Book Taxable before State Taxes	172,777,762	172,777,762
Remove Kentucky Non-regulated Taxable Income	<u>(1,036,227)</u>	<u>-</u>
Utility Book Taxable before State Taxes	171,741,535	172,777,762
Kentucky State Tax Apportionment %	<u>6.0623%</u>	<u>6.0623%</u>
Income Apportioned to Kentucky	10,411,487	10,474,306
Remove Kentucky Non-regulated Taxable Income	<u>-</u>	<u>(1,036,227)</u>
Income Apportioned to Kentucky	10,411,487	9,438,079
Kentucky State Tax Rate	<u>7.0%</u>	<u>7.0%</u>
Kentucky State Tax Expense	<u><u>728,804</u></u>	<u><u>660,666</u></u>
Kentucky Book Taxable before State Taxes	12,896,903	12,896,903
Less: Kentucky State Tax Expense	<u>(728,804)</u>	<u>(660,666)</u>
Book Taxable for Federal Taxes	12,168,099	12,236,237
Federal Tax Rate	<u>35%</u>	<u>35%</u>
Federal Taxes	<u><u>4,258,835</u></u>	<u><u>4,282,683</u></u>
Ketucky State Taxes	728,804	660,666
Federal Taxes	4,258,835	4,282,683
State Bonus Depreciation Adjustment	<u>71,005</u>	<u>71,005</u>
Total Income Taxes	<u><u>5,058,644</u></u>	<u><u>5,014,353</u></u>