

The Law Offices of

WILSON, HUTCHINSON & LITTLEPAGE

611 Frederica Street
Owensboro, Kentucky 42301
Telephone (270) 926-5011
Facsimile (270) 926-9394

RECEIVED

APR 08 2016

PUBLIC SERVICE
COMMISSION

William L. Wilson, Jr.
Mark R. Hutchinson
T. Tommy Littlepage

bill@whplawfirm.com
randy@whplawfirm.com
ttommv@whplawfirm.com

April 8, 2016

James Gardner
Acting Executive Director
211 Sower Blvd.
PO Box 615
Frankfort, Kentucky 40602

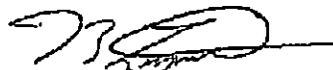
RE: WKG Storage, Inc.
Case No. 2016-00053

Dear Mr. Gardner:

WKG Storage, Inc. submits for filing its responses to the Commission's First Data Request. A copy of the responses has been served on the Attorney General.

If you have any questions concerning this, please let me know. Thank you.

Very truly yours,


T. Tommy Littlepage

Attachments

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

APPLICATION OF WKG STORAGE,)
INC. FOR RATE ADJUSTMENT FOR) Case No. 2016-00053
SMALL UTILITIES PURSUANT TO)
807 KAR 5:076)

AFFIDAVIT

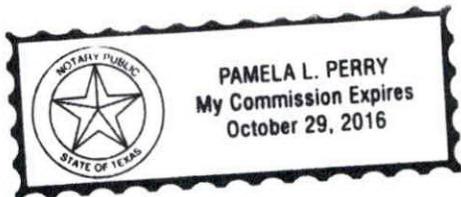
The Affiant, Joe T. Christian, being duly sworn, deposes and states that the attached responses to the Office of the Attorney General's first request for information are true and correct to the best of his knowledge and belief.

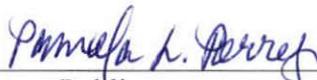


Joe. T. Christian

STATE OF TEXAS
COUNTY OF DALLAS

SUBSCRIBED AND SWORN to before me by Joe T. Christian on this the 7th day of April, 2016.





Notary Public
My Commission Expires: 10-29-16

Case No. 2016-00053
WKG Storage, Inc.
AG RFI Set No. 1
Question No. 1-01
Page 1 of 3

REQUEST:

Refer to the Company's Notice of Proposed Rate Adjustment contained in its February 29, 2016 Revised Application filing.

- a. Please define the Atmos Energy Corporation - Kentucky Division account number or numbers in which storage and injection charges and reservation charges from WKG Storage, Inc. are recorded. In addition, please provide a description of those accounts and indicate if those accounts include charges from any other sources.
- b. Please provide the amount of WKG Storage, Inc. charges by type included in the base period for the Kentucky Division in the Rate Case filing in Case No. 2015-00343.
- c. Please provide the amount of WKG Storage, Inc. charges by type included in the test year for the Kentucky Division in the Rate Case filing in Case No. 2015-00343.
- d. Please describe any and all adjustments made in the Rate Case filing in Case No. 2015-00343 to account for the rate changes, or any portion thereof, sought by WKG Storage, Inc. in its revised application.
- e. Please indicate whether WKG Storage, Inc.'s monthly charge for storage and injection charges is included in the determination of Atmos Energy Corporation - Kentucky Division's PGA rates. If so, describe how and in what amounts. If not, explain why not.
- f. Please indicate whether WKG Storage, Inc. monthly charge for reservation charges is included in the determination of Atmos Energy Corporation - Kentucky Division's PGA rates. If so, describe how and in what amounts. If not, explain why not.

RESPONSE:

WKG Storage, Inc. is providing the following responses even though it believes this question is inappropriate for WKG Storage, Inc. as it involves the Atmos Energy Corporation - Kentucky's Division's books, records and decisions. Nevertheless, to the best of WKG Storage, Inc.'s knowledge, the following responses are accurate:

- a) Gas stored underground inventory balances for WKG Storage, Inc. are recorded to account "1641-16006-Gas Stored Underground Current-East Diamond Storage Facility" in the Kentucky Division (Div 009) balance sheet. There are no other sources of activity recorded to this subaccount.

Case No. 2016-00053
WKG Storage, Inc.
AG RFI Set No. 1
Question No. 1-01
Page 2 of 3

Injection and Withdrawal charges are recorded to purchased gas cost accounts "8081-04756-Gas Withdrawn from Storage Debit - Storage Injection/Withdrawal" and "8082-04756-Gas Delivered to Storage Credit - Storage Injection/Withdrawal" in the Kentucky Division (Div 009). These subaccounts also include storage injections and withdrawals from company owned and contracted storage other than WKG Storage, Inc.

Reservation charges are recorded to account "8580-04773-Transmission and Compression of Gas by Others - Demand Storage" in the Kentucky Division (Div 009). This subaccount includes charges other than WKG Storage, Inc. demand fees.

- b) Any WKG Storage, Inc. amounts charged to the Kentucky Division are part of purchased gas costs and are a pass-through in the filing. Please see Attachment 1 for a list of these charges and the response to subpart (a) for detail on these charges. Any associated amounts for WKG Storage, Inc. in the forecast portion of the base period are forecast in line with all other purchased gas costs. Please see Attachment 2 for the billing determinants of the case used to develop the forecast. Please also see Attachment 3, which also details the Company's forecast of gas costs by FERC account.
- c) The Company forecast any associated charges for WKG Storage, Inc. in line with all other purchased gas costs forecasts for the test period. Please see Attachment 2 for the billing determinants of the case used to develop the forecast. Please also see Attachment 3, which also details the Company's forecast of gas costs by FERC account.
- d) Please see the responses to subparts (b) and (c).
- e) The contract between WKG Storage, Inc. and Atmos Energy Corporation provides for a fixed monthly charge of \$122,500 that is comprised of storage charges, injection charges, and reservation charges. It is WKG Storage, Inc.'s understanding that Atmos Energy Corporation includes the entire fixed charge in reservation charges (account 8580) and that amount is included in gas cost and recovered through KY PGA rates. Also refer to the response to subpart (a).
- f) Please see the response to subpart (e).

Case No. 2016-00053
WKG Storage, Inc.
AG RFI Set No. 1
Question No. 1-01
Page 3 of 3

ATTACHMENTS:

ATTACHMENT 1 - WKG Storage, Inc., AG_1-01_Att1 - WKG Charges to KY for Mar15-Aug15.xlsx, 1 Page.

ATTACHMENT 2 - WKG Storage, Inc., AG_1-01_Att2 - KY Revenue & Billing Unit Forecast 2015 TYE 5.31.2017.xlsx, 44 Pages.

ATTACHMENT 3 - WKG Storage, Inc., AG_1-01_Att3 - Gas Cost by FERC-fall 2015.xlsx, 4 Pages.

Respondent: Joe Christian

WKG Storage, Inc.
 WKG Amounts Charged to Kentucky Division (009)
 March 2015 - August 2015

<u>Storage Demand Charges</u>	<u>Mar-15</u>	<u>Apr-15</u>	<u>May-15</u>	<u>Jun-15</u>	<u>Jul-15</u>	<u>Aug-15</u>	
8580-04773	122,500	122,500	122,500	122,500	122,500	122,500	debits

<u>Storage Injection/Withdrawal</u>	<u>Mar-15</u>	<u>Apr-15</u>	<u>May-15</u>	<u>Jun-15</u>	<u>Jul-15</u>	<u>Aug-15</u>	
8081-04756	2,038,931	1,328,394	-	-	-	-	- debits
8082-04756	-	-	(443,178)	(432,282)	(489,254)	(482,819)	credits

Summary

ATMOS ENERGY CORPORATION - KENTUCKY
SUMMARY OF RATES
TEST YEAR ENDING MAY, 31 2017

Line No.	Billing Component	Applicable Tariffs	Current Rate	Proposed Rate
	(a)	(b)	(c)	(d)
1	CUSTOMER CHARGES, \$/month			
2	Firm Services - Residential	G-1	\$18.65	\$18.25
3	Firm Services - Non-Residential	G-1	48.44	45.00
4	Interruptible Sales	G-2	395.56	375.00
5	Firm Transportation	T-4	390.12	375.00
6	Interruptible Transportation	T-3	388.79	375.00
7				
8	DISTRIBUTION CHARGES, \$/Mcf			
9	Firm Sales	G-1		
10	1-300 Mcf		\$ 1.3180	\$ 1.5800
11	301-15000 Mcf		0.8800	1.0100
12	Over 15000		0.6200	0.7228
13	Firm Transportation	T-4		
14	1-300 Mcf		\$ 1.4401	\$ 1.5800
15	301-15000 Mcf		0.9615	1.0100
16	Over 15000		0.6774	0.7228
17	Interruptible Sales	G-2		
18	1-15000 Mcf		\$ 0.8077	\$ 0.8900
19	Over 15000		0.5419	0.6000
20	Interruptible Transportation	T-3		
21	1-15000 Mcf		\$ 0.8770	\$ 0.8900
22	Over 15000		0.5884	0.6000
23				
24	OTHER CHARGES			
25	Transp. Adm. Fee, \$/Mcf	T-2, T-3, T-4	\$ 50.00	\$ 50.00
26	Parking, \$/Mcf	T-4, T-3	0.10	0.10
27				
28			Current Rate	Proposed Rate
29			Norm Hrs After Hrs	Norm Hrs After Hrs
30	SERVICE CHARGES			
31	Meter Set		\$ 34.00 \$ 44.00	\$ 34.00 \$ 44.00
32	Turn On		23.00 28.00	23.00 28.00
33	Read		12.00 14.00	12.00 14.00
34	Reconnect Delinquent Service		39.00 47.00	39.00 47.00
35	Seasonal Charge		65.00 73.00	65.00 73.00
36	Special Meter Reading Charge		- N/A	- N/A
37	Meter Test Charge		20.00 N/A	20.00 N/A
38	Returned Check Charge		25.00 N/A	25.00 N/A
39	Class 1 EFM Equipment Charge		75.00 N/A	75.00 N/A
40	Class 2 EFM Equipment Charge		175.00 N/A	175.00 N/A
41	Late Payment Charge		5.0% 5.0%	5.0% 5.0%

	Jan-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	
OPERATING REVENUE																				
Subtotal																				
4800 Residential	14,971,430	6,282,454	3,694,437	4,119,630	3,862,654	3,747,290	3,781,417	4,724,297	8,221,139	12,098,017	13,698,870	13,426,215	97,744,726	12,721,024	8,214,100	6,332,142	4,201,269	3,877,378	3,827,141	3,865,344
4811 Commercial	6,090,281	3,944,641	2,441,922	1,817,925	1,832,470	1,632,739	1,633,425	1,992,148	3,239,418	4,910,720	6,565,913	6,668,311	40,908,118	8,680,323	3,629,971	2,239,181	1,640,287	1,724,803	1,692,260	1,697,637
4812 Industrial	1,204,101	439,616	326,946	216,867	168,092	197,608	168,300	217,206	284,634	551,701	781,443	684,659	5,136,895	1,483,117	368,848	292,805	248,823	182,890	212,869	170,704
4820 Other - Public Authority	1,290,980	798,280	522,868	281,381	264,216	219,664	228,654	317,448	616,104	869,225	1,191,190	1,073,388	7,420,467	1,027,632	813,292	304,608	783,073	238,226	230,669	229,278
Total Sales of Gas	23,556,024	14,411,279	8,753,682	8,947,792	6,194,281	6,797,455	6,795,658	7,251,102	12,362,082	18,536,349	21,967,358	20,674,768	151,180,175	19,771,255	12,612,051	8,238,746	6,658,312	6,694,920	6,648,938	6,633,381
Other Operating Income																				
4870 Forfeited Discounts	192,333	179,270	117,702	97,900	62,256	43,169	44,791	45,092	67,283	96,549	143,617	162,332	1,169,464	150,831	150,471	17,872	94,328	80,431	41,893	45,229
4880 Misc. Service Revenues	61,274	65,115	69,759	63,147	63,352	40,875	61,425	120,749	126,095	89,799	63,911	43,784	765,623	81,274	65,415	61,759	63,147	62,352	49,875	91,445
4885-4886 Revenue From Transportation of Gas of Others	1,335,461	1,109,829	1,032,002	1,034,710	1,019,231	1,069,169	1,050,811	1,160,979	1,316,383	1,209,991	1,473,658	1,424,543	14,433,604	4,338,401	1,140,628	1,082,902	1,064,710	1,019,351	1,068,159	1,050,711
4860 Other Gas Revenues (Special Contracts)	227,687	244,860	268,468	198,244	193,181	207,454	197,337	213,503	254,558	243,580	252,289	241,811	2,818,728	227,687	214,898	256,448	148,244	146,081	207,454	197,267
Total Other Operating Income	1,643,655	1,598,073	1,468,639	1,373,961	1,315,841	1,273,665	1,264,354	1,597,235	1,728,270	1,717,969	1,923,514	1,877,956	19,077,641	1,766,183	1,391,173	1,453,960	1,376,400	1,314,876	1,372,181	1,356,638
Total Revenue	25,200,679	16,009,351	10,222,321	10,321,753	7,510,122	8,071,120	8,060,012	8,848,337	14,090,352	20,254,318	23,891,372	22,552,724	170,257,816	21,537,438	14,003,224	9,692,706	8,034,724	7,992,772	7,963,316	7,990,019
Purchased Gas Costs	15,783,268	8,579,869	3,932,394	3,277,329	1,919,707	1,892,819	1,895,270	2,889,692	6,099,573	11,278,385	13,259,829	13,941,917	82,659,823	12,608,211	6,796,899	3,488,972	2,113,859	1,707,841	1,788,985	1,745,212
Gross Profit	9,520,821	7,429,482	6,290,927	7,044,424	5,590,403	6,178,301	6,164,742	5,958,645	7,990,779	8,975,933	10,631,549	8,610,807	87,598,000	8,929,227	7,206,325	6,203,734	5,920,865	6,284,931	6,214,333	6,244,807
Service Balance							16,574,117	20,151,665	17,745,667	12,230,226	6,453,844	174,828	61,604,969	12,240,183	1,169,008		4,845,004	8,189,532	11,787,874	15,927,942

Based on Decision based on Reports
 Final Calculation based on March
 Financials

4800 Residential	5,691,922	5,597,374	5,368,696	5,317,825	5,287,825	5,277,825	5,287,825	5,287,825	5,287,825	5,287,825	5,287,825	5,287,825	5,287,825	5,287,825	5,287,825	5,287,825	5,287,825	5,287,825	5,287,825	5,287,825
4811 Commercial	2,377,825	2,377,825	2,377,825	2,377,825	2,377,825	2,377,825	2,377,825	2,377,825	2,377,825	2,377,825	2,377,825	2,377,825	2,377,825	2,377,825	2,377,825	2,377,825	2,377,825	2,377,825	2,377,825	2,377,825
4812 Industrial	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913
4820 Other - Public Authority	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913
Total Sales of Gas	10,447,573	10,363,035	10,148,569	10,003,576	9,868,576	9,868,576	9,868,576	9,868,576	9,868,576	9,868,576	9,868,576	9,868,576	9,868,576	9,868,576	9,868,576	9,868,576	9,868,576	9,868,576	9,868,576	9,868,576
Other Operating Income	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913	1,188,913
Total Revenue	11,636,486	11,551,948	11,337,482	11,192,489	11,057,489	11,057,489	11,057,489	11,057,489	11,057,489	11,057,489	11,057,489	11,057,489	11,057,489	11,057,489	11,057,489	11,057,489	11,057,489	11,057,489	11,057,489	11,057,489
Purchased Gas Costs	6,243,825	6,243,825	6,243,825	6,243,825	6,243,825	6,243,825	6,243,825	6,243,825	6,243,825	6,243,825	6,243,825	6,243,825	6,243,825	6,243,825	6,243,825	6,243,825	6,243,825	6,243,825	6,243,825	6,243,825
Gross Profit	5,392,661	5,308,123	5,104,657	4,958,664	4,813,664	4,813,664	4,813,664	4,813,664	4,813,664	4,813,664	4,813,664	4,813,664	4,813,664	4,813,664	4,813,664	4,813,664	4,813,664	4,813,664	4,813,664	4,813,664
Service Balance							16,574,117	20,151,665	17,745,667	12,230,226	6,453,844	174,828	61,604,969	12,240,183	1,169,008		4,845,004	8,189,532	11,787,874	15,927,942

Oct-18	Nov-18	Dec-18	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18																																																																
4,897,277	6,343,706	12,478,267	14,143,819	13,587,812	12,857,076	6,254,818	6,583,229	85,823,090	107,481,261	84,137,064	86,045,483	87,361,024	88,048,822	100,437,884	2,076,771	3,420,782	6,072,888	5,747,616	5,642,655	5,177,401	3,453,973	2,343,431	2,862,445	23,862,445	31,160,431	40,019,625	40,771,633	41,230,071	41,783,254	42,827,741	43,827,741	44,827,741	45,827,741	46,827,741	47,827,741	48,827,741	49,827,741	50,827,741	51,827,741	52,827,741	53,827,741	54,827,741	55,827,741	56,827,741	57,827,741	58,827,741	59,827,741	60,827,741	61,827,741	62,827,741	63,827,741	64,827,741	65,827,741	66,827,741	67,827,741	68,827,741	69,827,741	70,827,741	71,827,741	72,827,741	73,827,741	74,827,741	75,827,741	76,827,741	77,827,741	78,827,741	79,827,741	80,827,741	81,827,741	82,827,741	83,827,741	84,827,741	85,827,741	86,827,741	87,827,741	88,827,741	89,827,741	90,827,741	91,827,741	92,827,741	93,827,741	94,827,741	95,827,741	96,827,741	97,827,741	98,827,741	99,827,741	100,827,741

13-month avg

87,044,741

87,044,741

87,044,741

87,044,741

87,044,741

87,044,741

87,044,741

87,044,741

87,044,741

87,044,741

87,044,741

87,044,741

87,044,741

87,044,741

87,044,741

	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	
CUSTOMERS																			
Residential	175,369	159,239	156,709	169,293	154,293	151,836	151,412	152,919	152,784	158,320	158,273	141,891	156,670	175,789	159,639	157,109	166,893	154,693	152,235
Commercial	19,216	17,749	17,374	17,241	17,101	16,701	16,785	16,802	16,922	17,701	17,813	16,339	17,324	19,216	17,749	17,374	17,241	17,101	16,701
Industrial	243	207	201	213	201	219	195	204	191	209	212	178	206	243	207	201	213	201	195
Other - Public Authority	1,789	1,555	1,550	1,563	1,563	1,807	1,544	1,572	1,620	1,539	1,567	1,378	1,554	1,739	1,555	1,550	1,563	1,563	1,507
Total	196,597	177,790	175,934	178,310	173,458	170,331	169,916	171,957	171,427	177,789	177,865	169,470	174,754	199,997	178,150	178,234	175,710	173,558	170,731
MCF Cycle Bill Month																			
Residential	1621,587	802,344	414,939	216,421	167,216	165,244	170,643	337,891	892,361	1,616,997	1,900,053	1,856,610	10,302,995	1,625,833	904,625	415,865	216,974	169,354	165,679
Commercial	721,907	445,885	249,500	171,465	162,382	149,450	151,874	218,669	447,363	724,569	840,547	823,888	5,705,507	721,907	445,885	249,500	171,465	162,382	149,450
Industrial	183,059	87,877	60,737	51,304	29,137	40,212	30,870	48,882	65,396	109,841	140,599	108,843	821,665	183,059	87,877	60,737	51,304	29,137	40,212
Other - Public Authority	164,140	83,875	49,899	32,180	27,935	28,835	29,143	44,282	87,144	159,433	195,084	176,785	1,094,704	164,140	83,875	49,899	32,180	27,935	28,835
Total	2,690,693	1,399,781	776,072	471,410	377,373	391,941	391,330	646,725	1,532,243	2,507,017	3,069,272	2,978,228	17,414,992	2,694,409	1,512,001	778,131	471,963	377,039	382,276

	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	
Transportation																			
Customers	194	194	194	194	194	194	194	194	194	194	194	194	194	194	194	194	194	194	194
Terri	16	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15
Contract	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209
Total	209	209	209	209	209	209	209	209	209	209									
Yokama, Mad																			
Customers	1,690,031	1,217,023	1,164,227	1,114,796	1,070,695	1,141,809	1,117,115	1,286,783	1,429,765	1,439,176	1,828,910	1,553,506	15,820,508	1,460,031	1,217,023	1,164,227	1,114,796	1,070,695	1,141,809
Terri	1,281,922	1,194,880	1,118,519	1,108,174	1,126,907	1,134,520	1,120,717	1,161,221	1,213,200	1,284,592	1,359,615	1,329,401	14,391,058	1,281,922	1,194,880	1,118,519	1,108,174	1,126,907	1,134,520
Contract	2,741,953	2,391,903	2,292,749	2,223,970	2,196,922	2,278,129	2,237,932	2,447,694	2,642,965	2,703,766	2,993,435	2,892,907	30,001,562	2,741,953	2,391,903	2,292,749	2,223,970	2,196,922	2,278,129
Total	1,114,796	1,070,695	1,141,809	1,117,115	1,286,783	1,429,765	1,439,176	1,828,910	1,553,506	15,820,508	1,460,031	1,217,023	1,164,227	1,114,796	1,070,695	1,141,809	1,117,115	1,286,783	1,429,765

Fiscal Year

	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	
151,012	153,319	152,194	158,720	158,673	141,941	176,169	159,039	157,509	156,170	155,503	155,903	156,303	156,703	157,103	157,503	157,903	158,303	158,703	159,103	159,503	159,903	160,303	160,703	161,103	161,503	161,903	162,303	162,703	163,103
16,785	18,902	16,922	17,701	17,813	16,333	19,249	17,749	17,374	17,324	17,324	17,324	17,324	17,324	17,324	17,324	17,324	17,324	17,324	17,324	17,324	17,324	17,324	17,324	17,324	17,324	17,324	17,324	17,324	17,324
195	204	181	208	212	178	243	207	201	203	203	203	203	203	203	203	203	203	203	203	203	203	203	203	203	203	203	203	203	203
1,544	1,572	1,520	1,559	1,587	1,378	1,759	1,559	1,530	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554
170,319	171,987	171,987	178,169	178,285	173,285	159,870	167,397	176,530	176,634	176,634	176,634	176,634	176,634	176,634	176,634	176,634	176,634	176,634	176,634	176,634	176,634	176,634	176,634	176,634	176,634	176,634	176,634	176,634	176,634
171,094	208,775	934,791	1,621,088	1,904,887	1,861,589	1,029,019	806,922	417,054	10,336,507	10,285,459	10,311,915	10,338,382	10,364,848	10,391,315	10,417,780	10,444,246	10,470,712	10,497,178	10,523,644	10,550,110	10,576,576	10,603,042	10,629,508	10,655,974	10,682,440	10,708,906	10,735,372	10,761,838	10,788,304
151,674	218,983	447,353	724,555	840,547	833,989	721,907	445,895	249,500	6,105,607	6,105,607	6,105,607	6,105,607	6,105,607	6,105,607	6,105,607	6,105,607	6,105,607	6,105,607	6,105,607	6,105,607	6,105,607	6,105,607	6,105,607	6,105,607	6,105,607	6,105,607	6,105,607	6,105,607	6,105,607
30,970	48,682	62,998	106,981	140,688	106,943	183,059	60,787	60,787	621,685	621,685	621,685	621,685	621,685	621,685	621,685	621,685	621,685	621,685	621,685	621,685	621,685	621,685	621,685	621,685	621,685	621,685	621,685	621,685	621,685
28,143	44,282	87,144	158,433	185,084	173,786	184,140	93,675	49,999	1,084,704	1,084,704	1,084,704	1,084,704	1,084,704	1,084,704	1,084,704	1,084,704	1,084,704	1,084,704	1,084,704	1,084,704	1,084,704	1,084,704	1,084,704	1,084,704	1,084,704	1,084,704	1,084,704	1,084,704	1,084,704
381,781	646,809	1,534,694	2,811,118	3,071,108	2,981,465	2,891,725	1,514,539	777,180	17,448,504	17,397,450	17,423,912	17,450,374	17,476,836	17,503,298	17,529,760	17,556,222	17,582,684	17,609,146	17,635,608	17,662,070	17,688,532	17,714,994	17,741,456	17,767,918	17,794,380	17,820,842	17,847,304	17,873,766	17,900,228

194	194	194	194	194	194	194	194	194	194	194	194	194	194	194	194	194	194	194	194	194	194	194	194	194	194	194	194	194	194
15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15
209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209

1,117,115	1,285,763	1,429,785	1,429,178	1,626,910	1,653,806	1,480,031	1,217,023	1,194,227	16,620,208	15,620,208	15,620,208	15,620,208	15,620,208	15,620,208	15,620,208	15,620,208	15,620,208	15,620,208	15,620,208	15,620,208	15,620,208	15,620,208	15,620,208	15,620,208	15,620,208	15,620,208	15,620,208	15,620,208	15,620,208
1,120,717	1,181,721	1,213,200	1,284,590	1,356,515	1,329,401	1,291,522	1,184,980	1,116,519	14,381,099	14,381,099	14,381,099	14,381,099	14,381,099	14,381,099	14,381,099	14,381,099	14,381,099	14,381,099	14,381,099	14,381,099	14,381,099	14,381,099	14,381,099	14,381,099	14,381,099	14,381,099	14,381,099	14,381,099	14,381,099
2,237,832	2,447,484	2,642,985	2,703,756	2,883,425	2,882,307	2,741,953	2,381,303	2,282,748	30,001,592	30,001,592	30,001,592	30,001,592	30,001,592	30,001,592	30,001,592	30,001,592	30,001,592	30,001,592	30,001,592	30,001,592	30,001,592	30,001,592	30,001,592	30,001,592	30,001,592	30,001,592	30,001,592	30,001,592	30,001,592
									80,516	80,516	80,516	80,516	80,516	80,516	80,516	80,516	80,516	80,516	80,516	80,516	80,516	80,516	80,516	80,516	80,516	80,516	80,516	80,516	80,516
									998,737	998,737	998,737	998,737	998,737	998,737	998,737	998,737	998,737	998,737	998,737	998,737	998,737	998,737	998,737	998,737	998,737	998,737	998,737	998,737	998,737
									143,548	143,548	143,548	143,548	143,548	143,548	143,548	143,548	143,548	143,548	143,548	143,548	143,548	143,548	143,548	143,548	143,548	143,548	143,548	143,548	143,548

ATMOS ENERGY CORPORATION - KENTUCKY
 BILL FREQUENCY DATA
 Reference Period - Twelve Months Ending 08/31/2015

Line No.	Class of Customers	Sep-14 (a)	Oct-14 (b)	Nov-14 (c)	Dec-14 (d)	Jan-15 (e)	Feb-15 (f)	Mar-15 (g)	Apr-15 (h)	May-15 (i)	Jun-15 (j)	Jul-15 (k)	Aug-15 (l)	Number Of Bills (m)	Mcf (n)	Rate (o)	Total Revenue (p)
1	RESIDENTIAL (Rate G-1)																
2	FIRM BILLS	151,012	152,519	152,394	157,920	157,873	141,181	175,369	158,239	156,709	156,293	154,293	151,835	1,865,637		\$18.65	\$34,794,130
3	Sales: 1-300	172,952	237,170	872,329	1,832,377	2,213,489	1,817,295	2,409,615	840,794	329,076	196,617	157,912	174,979		11,054,506	1.3180	14,569,839
4	Sales: 301-15000	52	1,321	313	91	223	210	152	110	0	0	271	0		2,743	0.8800	2,414
5	Sales: Over 15000	0	0	0	0	0	0	0	0	0	0	0	0		0	0.6200	0
6	CLASS TOTAL (Mcf/month)	173,004	238,492	872,642	1,632,468	2,213,712	1,817,504	2,409,768	840,904	329,076	196,617	158,163	174,979	1,865,637	11,057,249		\$49,366,383
7																	
8	FIRM COMMERCIAL (Rate G-1)																
9	FIRM BILLS	16,763	16,900	16,920	17,698	17,809	16,330	19,213	17,745	17,372	17,239	17,099	16,768	207,856		48.44	\$10,068,545
10	Sales: 1-300	144,788	166,489	350,892	624,845	846,416	737,312	874,770	354,979	173,190	137,404	129,448	140,182		4,680,415	1.3180	6,168,787
11	Sales: 301-15000	37,810	72,797	39,604	77,850	126,411	104,750	129,382	45,142	24,770	12,567	11,533	20,636		703,252	0.8800	618,861
12	Sales: Over 15000	0	0	0	0	0	0	0	0	0	0	0	0		0	0.6200	0
13	CLASS TOTAL (Mcf/month)	182,599	239,286	390,496	702,395	972,827	842,062	1,004,162	400,122	197,960	149,971	140,981	160,817	207,856	5,383,667		\$16,856,193
14																	
15	FIRM INDUSTRIAL (Rate G-1)																
16	FIRM BILLS	189	195	181	200	201	169	234	197	193	205	193	211	2,368		\$48.44	\$114,708
17	Sales: 1-300	10,482	11,649	22,690	36,089	42,580	34,344	51,216	24,163	13,009	9,590	8,682	11,303		275,616	1.3180	363,262
18	Sales: 301-15000	9,910	7,278	19,648	46,087	66,501	54,557	81,451	20,128	5,893	5,630	4,040	10,301		331,513	0.8800	291,732
19	Sales: Over 15000	0	0	0	0	0	0	0	0	0	0	0	0		0	0.6200	0
20	CLASS TOTAL (Mcf/month)	20,311	18,927	42,338	82,176	109,081	88,901	132,667	44,291	18,993	15,220	12,622	21,603	2,368	607,130		\$769,700
21																	
22	FIRM PUBLIC AUTHORITY (Rate G-1)																
23	FIRM BILLS	1,544	1,672	1,620	1,559	1,567	1,378	1,769	1,555	1,550	1,563	1,563	1,507	18,647		\$48.44	\$903,281
24	Sales: 1-300	28,081	34,565	73,109	123,433	153,800	130,234	166,998	74,352	39,503	26,577	21,534	22,693		893,878	1.3180	1,178,131
25	Sales: 301-15000	6,164	9,210	12,694	30,471	55,794	46,472	59,830	13,558	10,528	5,196	4,330	6,313		260,560	0.8800	228,292
26	Sales: Over 15000	0	0	0	0	0	0	0	0	0	0	0	0		0	0.6200	0
27	CLASS TOTAL (Mcf/month)	34,244	43,775	85,803	153,904	209,594	176,706	226,829	87,909	50,031	30,773	25,864	29,006	18,647	1,154,437		\$2,310,684
28																	
29	INTERRUPTIBLE COMMERCIAL (G-2)																
30	INT BILLS	2	2	2	3	4	3	3	4	2	2	2	2	31		395.56	\$12,282
31	Sales: 1-15000	29	70	230	2,682	2,691	2,484	3,118	1,729	52	21	8	26		13,140	0.8077	10,613
32	Sales: Over 15000	0	0	0	0	0	0	0	0	0	0	0	0		0	0.5419	0
33	CLASS TOTAL (Mcf/month)	29	70	230	2,682	2,691	2,484	3,118	1,729	52	21	8	26	31	13,140		\$22,876
34																	
35	INTERRUPTIBLE INDUSTRIAL (G-2)																
36	INT BILLS	6	9	9	7	10	8	8	9	7	7	7	7	94		395.56	\$37,183
37	Sales: 1-15000	15,017	31,795	16,457	22,605	27,711	20,932	36,094	24,263	38,729	34,982	17,219	19,609		303,412	0.8077	245,066
38	Sales: Over 15000	7,136	8,448	8,601	19,200	21,796	14,010	27,298	13,323	18,016	11,102	7,297	0		156,226	0.5419	84,659
39	CLASS TOTAL (Mcf/month)	22,153	40,243	25,058	41,805	49,507	34,942	63,392	37,586	54,744	46,084	24,516	19,609	94	459,638		\$366,907
40																	
41	TRANSPORTATION (T-4)																
42	TRANSPORTATION BILLS	120	120	121	121	121	121	121	121	121	121	121	122	1,451		380.12	\$566,064
43	Trans Admin Fee	\$5,900	\$5,900	\$5,950	\$5,950	\$5,950	\$5,950	\$5,950	\$5,950	\$5,950	\$5,950	\$5,950	\$6,000				71,350
44	EFM Fee	\$5,800	\$5,800	\$5,900	\$5,900	\$5,900	\$5,900	\$5,900	\$5,925	\$5,925	\$5,925	\$5,925	\$6,125				71,125
45	Parking Fee	\$40	\$42	\$116	\$143	\$174	\$183	\$70	\$23	\$26	\$31	\$34	\$31				913
46	Firm Transport: 1-300	33,711	35,271	36,144	36,130	36,300	36,300	36,300	35,371	34,654	33,536	33,219	33,887		420,823	1.4401	606,027
47	Firm Transport: 301-15000	377,286	435,433	539,588	547,372	630,421	627,283	545,221	424,456	394,775	377,983	365,566	361,647		5,646,329	0.9615	5,429,522
48	Firm Transport: Over 15000	82,133	100,216	114,550	118,547	159,398	147,487	114,386	78,183	68,092	65,829	74,931	67,026		1,191,778	0.6774	807,310
49	CLASS TOTAL (Mcf/month)	493,130	570,920	690,280	702,049	826,119	811,070	695,907	539,010	497,521	477,346	473,718	482,460	1,451	7,259,530		\$7,552,312
50																	
51	ECONOMIC DEV RIDER (EDR)																
52	Firm Transport: 1-300	0	0	0	0	0	0	0	0	0	0	0	0		0	0.9885	\$0
53	Firm Transport: 301-15000	0	0	0	0	0	0	0	0	0	0	0	0		0	0.6500	0
54	Firm Transport: Over 15000	0	0	0	0	11,941	7,797	12,256	14,323	13,135	11,917	10,559	10,845		92773	0.4650	43,139
55	CLASS TOTAL (Mcf/month)	0	0	0	0	11,941	7,797	12,256	14,323	13,135	11,917	10,559	10,845		92773		\$43,139
56																	

57	TRANSPORTATION (T-3)																	
58	TRANSPORTATION BILLS	69	69	69	69	69	70	70	70	70	69	69	70	833		388.79		\$323,862
59	Trans Admin Fee	\$3,450	\$3,450	\$3,450	\$3,450	\$3,450	\$3,500	\$3,500	\$3,500	\$3,500	\$3,450	\$3,450	\$3,600					41,660
60	EFM Fee	\$3,050	\$3,150	\$3,150	\$3,150	\$3,150	\$3,250	\$3,250	\$3,250	\$3,525	\$3,350	\$3,500	\$3,600					39,375
61	Parking Fee	\$346	\$318	\$292	\$379	\$323	\$227	\$303	\$315	\$248	\$402	\$230	\$311					3,684
62	Interrupt Transport: 1-15000	383,113	438,287	453,188	456,921	457,478	443,700	443,522	429,100	416,119	406,060	369,087	397,892			5,094,467	0.8770	4,467,848
63	Interrupt Transport: Over 15000	180,121	225,209	234,740	232,537	282,676	241,360	262,807	188,680	193,844	172,543	173,313	210,564			2,598,494	0.5884	1,528,954
64	CLASS TOTAL (Mc/month)	563,234	663,496	687,928	689,458	740,154	685,060	706,329	617,780	609,963	578,703	642,400	608,458	833		7,692,961		\$6,405,372
65																		
66	SPECIAL CONTRACTS	\$120,409																
67	TRANSPORTATION BILLS	17	17	17	17	17	17	17	17	17	17	17	17	204		350.00		\$71,400
68	Trans Admin Fee	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850					10,200
69	EFM Fee	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850					10,200
70	Parking / Pooling Fees	\$5,303	\$4,010	\$11,880	\$13,348	\$9,688	\$7,008	\$8,231	\$4,601	\$8,005	\$7,315	\$4,248	\$8,167					91,803
71	Transported Volumes	1,163,394	1,252,290	1,301,966	1,320,251	1,381,425	1,291,172	1,364,999	1,289,881	1,279,436	1,147,590	1,255,199	1,330,081			15,377,684	Various	
72	Charges for Transport Volumes	\$113,406	\$121,788	\$127,479	\$127,889	\$138,552	\$134,255	\$133,160	\$127,851	\$122,523	\$113,788	\$119,249	\$123,501					1,503,442
73	CLASS TOTAL (Mc/month)	1,163,394	1,252,290	1,301,966	1,320,251	1,381,425	1,291,172	1,364,999	1,289,881	1,279,436	1,147,590	1,255,199	1,330,081	204		15,377,684		\$1,687,045

ATMOS ENERGY CORPORATION - KENTUCKY
SUMMARY OF REVENUE AT PRESENT RATES
TEST YEAR ENDING MAY, 31 2017

Line No.	Description	Block (Mcf)	Reference Period - Twelve Months Ending 08/31/2015				Forward-looking Adjustments To Test Year		Total Test Year Volumes (j)	Present Margin (i)	Present Revenue (k)
			Number of Bills, Units (a)	Volumes As Metered (b)	Contract Adj. Bills and Volumes (c)	Weather Adj. Volumes (NOAA 2005-2015) (d)	Total Volumes (e)	Customer Growth Forecast (f)			
1	Sales										
2	Firm Sales (G-1)	Customer Chrg	1,865,637						8,400	\$18.65	\$34,950,790
3		Customer Chrg	228,871		(2)					48.44	11,086,414
4		0 - 300		16,904,416	2,143	(1,064,447)	15,842,112	51,505	0	1.3180	20,947,767
5		301 - 15,000		1,288,067	(3,225)	(68,733)	1,226,109	0	0	0.6800	1,078,976
6		Over 15,000		0	0	0	0	0	0	0.6200	0
7	Interruptible Sales (G-2)	Customer Chrg	125		12					395.56	54,192
8		0 - 15,000		316,552	(11,394)		305,158			0.6077	246,476
9		Over 15,000		156,226	(132,608)		23,620			0.5419	12,800
10											
11	Transportation										
12	Customer Charges (T-4)	Customer Chrg	1,451		25					390.12	575,817
13	Customer Charges (T-3)	Customer Chrg	833		19					388.79	331,249
14	Customer Charges (SpK)	Customer Chrg	204		(24)					350.00	63,000
15	Transp. Adm. Fee	Customer Chrg	2,464		20					50.00	124,200
16	Parked Volumes [1]			963,991	0					0.10	96,399
17	EFM Charges									Various	122,200
18	Firm Transportation (T-4)	0 - 300		420,823	7,787		428,610			1.4401	617,241
19		301 - 15,000		5,646,929	154,293		5,801,222			0.9616	5,577,875
20		Over 15,000		1,191,778	(49,741)		1,142,037			0.6774	773,616
21	Economic Dev Rider (EDR)	301 - 15,000		0	13,254		13,254			0.6600	8,748
22		Over 15,000		92,773	97,741		190,514			0.4650	88,589
23	Interruptible Transportation (T-3)	0 - 15,000		5,094,457	287,624		5,382,091			0.8770	4,720,094
24		Over 15,000		2,598,494	64,284		2,662,778			0.5884	1,566,779
25	Total Special Contracts [2]			15,377,684	(996,628)		14,381,056			Various	1,456,880
26	Special Contract Reformations									Various	989,646
27	Total Tariff		2,097,121	48,098,209	(566,468)	(1,133,160)	47,398,561	59,905	0	47,450,066	85,489,767
28											
29	Other Revenues										795,825
30	Late Payment Fees										1,140,887
31	Total Gross Profit										87,426,480
32											
33	Gas Costs										79,378,177
34											
35	Total Revenue										\$ 166,804,656
36											
37	[1] Parked Volumes not included in Total Deliveries.										
38	[2] Based on confidential information.										

ATMOS ENERGY CORPORATION - KENTUCKY
VOLUME AND CONTRACT ADJUSTMENTS
Reference Period - Twelve Months Ending 08/31/2015

Line No.	Class of Customers	Sep-14 (a)	Oct-14 (b)	Nov-14 (c)	Dec-14 (d)	Jan-15 (e)	Feb-15 (f)	Mar-15 (g)	Apr-15 (h)	May-15 (i)	Jun-15 (j)	Jul-15 (k)	Aug-15 (l)	Number Of Bills (m)	Mcf (n)	Rate (o)	Total Revenue (p)
1	<u>RESIDENTIAL (Rate G-1)</u>																
2	FIRM BILLS													0		48.44	\$0
3	Sales: 1-300	52	1,321	313	91	223	210	152	110	0	0	271	0		2,743	1.3180	3,615
4	Sales: 301-15000	(52)	(1,321)	(313)	(91)	(223)	(210)	(152)	(110)	0	0	(271)	0		(2,743)	0.8800	(2,414)
5	Sales: Over 15000						0								0	0.6200	0
6	CLASS TOTAL (Mcf/month)	0	0	0	0	0	0	0	0	0	0	0	0	0	0		\$1,201
7																	
8	<u>FIRM COMMERCIAL (Rate G-1)</u>																
9	FIRM BILLS															48.44	\$0
10	Sales: 1-300														0	1.3180	0
11	Sales: 301-15000														0	0.8800	0
12	Sales: Over 15000														0	0.6200	0
13	CLASS TOTAL (Mcf/month)	0	0	0	0	0	0	0	0	0	0	0	0	0	0		\$0
14																	
15	<u>FIRM INDUSTRIAL (Rate G-1)</u>																
16	FIRM BILLS	(1)	(1)	0	0	0	0	0	0	0	0	0	0	(2)		48.44	(\$97)
17	Sales: 1-300	(300)	(300)	0	0	0	0	0	0	0	0	0	0		(600)	1.3180	(791)
18	Sales: 301-15000	(294)	(188)	0	0	0	0	0	0	0	0	0	0		(482)	0.8800	(424)
19	Sales: Over 15000	0	0	0	0	0	0	0	0	0	0	0	0		0	0.6200	0
20	CLASS TOTAL (Mcf/month)	(594)	(488)	0	0	0	0	0	0	0	0	0	0	(2)	(1,082)		(\$1,312)
21																	
22	<u>FIRM PUBLIC AUTHORITY (Rate G-1)</u>																
23	FIRM BILLS														0	48.44	\$0
24	Sales: 1-300														0	1.3180	0
25	Sales: 301-15000														0	0.8800	0
26	Sales: Over 15000														0	0.6200	0
27	CLASS TOTAL (Mcf/month)	0	0	0	0	0	0	0	0	0	0	0	0	0	0		\$0
28																	
29	<u>INTERRUPTIBLE COMMERCIAL (G-2)</u>																
30	INT BILLS														0	395.56	\$0
31	Sales: 1-15000														0	0.8077	0
32	Sales: Over 15000														0	0.5419	0
33	CLASS TOTAL (Mcf/month)	0	0	0	0	0	0	0	0	0	0	0	0	0	0		\$0
34																	
35	<u>INTERRUPTIBLE INDUSTRIAL (G-2)</u>																
36	INT BILLS	1	1	1	1	1	1	1	1	1	1	1	1	12		395.56	\$4,747
37	Sales: 1-15000	(3,864)	(3,552)	(3,395)	0	0	(990)	(1,311)	(677)	3,000	1,102	(703)	(1,000)		(11,394)	0.8077	(9,203)
38	Sales: Over 15000	(7,135)	(8,448)	(8,501)	(17,000)	(18,000)	(14,010)	(11,889)	(13,323)	(16,000)	(11,102)	(7,297)	0		(132,506)	0.5419	(71,859)
39	CLASS TOTAL (Mcf/month)	(11,000)	(12,000)	(12,000)	(17,000)	(18,000)	(15,000)	(13,000)	(14,000)	(13,000)	(10,000)	(8,000)	(1,000)	12	(144,000)		(\$76,315)

ATMOS ENERGY CORPORATION - KENTUCKY
VOLUME AND CONTRACT ADJUSTMENTS
Reference Period - Twelve Months Ending 08/31/2015

Line No.	Class of Customers	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Number Of Bills	Mcf	Rate	Total Revenue
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
40																	
41	TRANSPORTATION (T-4)																
42	TRANSPORTATION BILLS													25		390.12	\$9,753
43	Trans Admin Fee	\$150	\$150	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$50				1,250
44	EFM Fee	\$225	\$225	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$75				1,875
45	Parking Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				0
46	Firm Transport: 1-300	900	900	600	600	600	600	600	600	600	600	600	587		7,787	1.4401	11,214
47	Firm Transport: 301-15000	15,174	13,871	9,699	11,315	9,265	8,799	10,200	14,333	15,096	14,813	16,028	15,700		154,293	0.9915	148,353
48	Firm Transport: Over 15000	(8,932)	(9,935)	(12,096)	(8,868)	(4,899)	(5,011)	0	0	0	0	0	0		(49,741)	0.6774	(33,695)
49	CLASS TOTAL (Mcf/month)	7,142	4,836	(1,797)	3,047	4,966	4,388	10,800	14,933	15,696	15,413	16,628	16,287	25	112,339		\$138,750
50																	
51	ECONOMIC DEV RIDER (EDR)																
52	Firm Transport: 1-300	0	0	0	0	0	0	0	0	0	0	0	0		0	0.9885	\$0
53	Firm Transport: 301-15000	0	0	2,728	2,728	2,728	2,728	2,342	0	0	0	0	0		13,254	0.6600	8,748
54	Firm Transport: Over 15000	12,932	13,935	16,096	12,868	8,899	9,011	4,000	4,000	4,000	4,000	4,000	4,000		97,741	0.4650	45,450
55	CLASS TOTAL (Mcf/month)	12,932	13,935	18,824	15,596	11,627	11,739	6,342	4,000	4,000	4,000	4,000	4,000		110,995		\$54,197
56																	
57	TRANSPORTATION (T-3)																
58	TRANSPORTATION BILLS													19		388.79	\$7,387
59	Trans Admin Fee	\$100	\$100	\$100	\$100	\$100	\$50	\$50	\$50	\$50	\$100	\$100	\$50				950
60	EFM Fee	\$150	\$150	\$150	\$150	\$150	\$75	\$75	\$75	\$75	\$150	\$150	\$75				1,425
61	Parking Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				0
62	Interrupt Transport: 1-15000	25,677	28,569	30,520	25,026	27,239	27,316	22,120	22,977	19,912	23,415	19,292	15,561		287,624	0.8770	252,246
63	Interrupt Transport: Over 15000	15,000	4,007	4,000	4,000	4,864	6,136	6,277	4,000	4,000	4,000	4,000	4,000		64,284	0.5884	37,825
64	CLASS TOTAL (Mcf/month)	40,677	32,576	34,520	29,026	32,103	33,452	28,397	26,977	23,912	27,415	23,292	19,561	19	351,908		\$299,833
65																	
66	SPECIAL CONTRACTS																
67	TRANSPORTATION BILLS													(24)		350.00	(\$8,400)
68	Trans Admin Fee	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)				(1,200)
69	EFM Fee	(\$150)	(\$150)	(\$150)	(\$150)	(\$150)	(\$150)	(\$150)	(\$150)	(\$150)	(\$150)	(\$150)	(\$150)				(1,800)
70	Parking Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				0
71	Transported Volumes	(42,677)	(90,569)	(88,766)	(55,671)	(24,910)	38,229	(83,077)	(125,001)	(160,917)	(38,416)	(129,292)	(195,561)		(996,628)	Various	
72	Charges for Transport Volumes	71,948	81,005	79,499	87,613	97,349	93,848	79,766	75,807	68,239	70,441	68,484	69,086				943,083
73	CLASS TOTAL (Mcf/month)	(42,677)	(90,569)	(88,766)	(55,671)	(24,910)	38,229	(83,077)	(125,001)	(160,917)	(38,416)	(129,292)	(195,561)	(24)	(996,628)		\$931,683

ATMOS ENERGY CORPORATION - KENTUCKY
 WEATHER ADJUSTMENT - BASE NOAA 2005-2015
 Reference Period - Twelve Months Ending 09/30/2015

Line No.	Class of Customers	Sep-14 (a)	Oct-14 (b)	Nov-14 (c)	Dec-14 (d)	Jan-15 (e)	Feb-15 (f)	Mar-15 (g)	Apr-15 (h)	May-15 (i)	Jun-15 (j)	Jul-15 (k)	Aug-15 (l)	Number Of Bills (m)	Mcf (n)	Rate (o)	Total Revenue (p)
1	<u>RESIDENTIAL (Rate G-1)</u>																
2	FIRM BILLS													0		\$18.65	\$0
3	Sales: 1-300	(2,812)	93,516	57,252	(19,582)	(318,476)	33,832	(788,181)	61,440	85,860	19,904	9,735	(9,735)		(772,247)	1.3180	(1,017,822)
4	Sales: 301-15000														0	0.8800	0
5	Sales: Over 15000														0	0.6200	0
6	<u>CLASS TOTAL (Mcf/month)</u>	<u>(2,812)</u>	<u>93,516</u>	<u>57,252</u>	<u>(19,582)</u>	<u>(318,476)</u>	<u>33,832</u>	<u>(788,181)</u>	<u>61,440</u>	<u>85,860</u>	<u>19,904</u>	<u>9,735</u>	<u>(9,735)</u>	<u>0</u>	<u>(772,247)</u>		<u>(\$1,017,822)</u>
7																	
8	<u>FIRM COMMERCIAL (Rate G-1)</u>																
9	FIRM BILLS													0		48.44	\$0
10	Sales: 1-300	(24,544)	(15,645)	50,884	17,319	(117,432)	(9,245)	(248,595)	39,068	45,046	19,702	10,461	(9,931)		(242,914)	1.3180	(320,161)
11	Sales: 301-15000	(5,410)	(6,841)	5,743	2,159	(17,538)	(1,313)	(36,768)	4,968	6,442	1,802	932	(1,462)		(48,266)	0.8800	(42,491)
12	Sales: Over 15000														0	0.6200	0
13	<u>CLASS TOTAL (Mcf/month)</u>	<u>(30,954)</u>	<u>(22,486)</u>	<u>56,627</u>	<u>19,478</u>	<u>(134,970)</u>	<u>(10,558)</u>	<u>(285,363)</u>	<u>44,034</u>	<u>51,488</u>	<u>21,504</u>	<u>11,393</u>	<u>(11,393)</u>	<u>0</u>	<u>(291,200)</u>		<u>(\$362,652)</u>
14																	
15	<u>FIRM PUBLIC AUTHORITY (Rate G-1)</u>																
16	FIRM BILLS													0		-	\$0
17	Sales: 1-300	(5,003)	400	9,663	3,680	(17,985)	58	(46,154)	4,877	(104)	1,178	1,724	(1,620)		(49,285)	0.0000	0
18	Sales: 301-15000	(1,098)	107	1,678	909	(6,525)	21	(16,535)	889	(28)	239	347	(451)		(20,448)	0.0000	0
19	Sales: Over 15000														0	0.0000	0
20	<u>CLASS TOTAL (Mcf/month)</u>	<u>(6,101)</u>	<u>507</u>	<u>11,341</u>	<u>4,589</u>	<u>(24,510)</u>	<u>79</u>	<u>(62,689)</u>	<u>5,766</u>	<u>(132)</u>	<u>1,417</u>	<u>2,071</u>	<u>(2,071)</u>	<u>0</u>	<u>(69,733)</u>		<u>\$0</u>

Atmos Energy - Kentucky
 Normalization Of Volumes For Weather
 Reference Period - Twelve Months Ending 08/31/2015
 (Weather Basis: 10-years ending 2015)

Line	Month	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Lagged Actual HDDs	8	75	456	723	936	877	902	307	123	31	0	0
2	Lagged Normal HDDs	3	87	389	708	847	933	833	358	121	23	0	0
3	Calendar Normal HDDs	23	235	534	801	923	801	505	216	63	1	0	0
4													
6	<u>RESIDENTIAL (Rate G-1)</u>												
7	Annual Customer Growth												
8	Annual Base Load Decline												
9	Annual Total Load Decline												
10													
11	Actual Constand Load	164,348	165,988	165,852	171,868	171,815	153,649	190,856	172,213	170,548	170,095	167,919	165,244
12	Actual Heat Load	8,856	72,504	706,790	1,460,602	2,041,897	1,663,856	2,218,912	668,691	168,528	26,422	(9,735)	9,735
13	Heat Load / Customer	0.057	0.475	4.638	9.249	12.934	11.785	12.653	4.226	1.012	0.169	(0.063)	0.064
14	Actual X Coefficient	0.0129	0.0129	0.0129	0.0129	0.0129	0.0129	0.0129	0.0129	0.0129	0.0129	0.0129	0.0129
15	Product	0.0387	1.1213	5.0136	9.125	10.9165	12.0249	8.1584	4.6141	1.5595	0.2964	0	0
16	Base Load	1.0883	1.0883	1.0883	1.0883	1.0883	1.0883	1.0883	1.0883	1.0883	1.0883	1.0883	1.0883
17	Normal Usage / Customer	1.1270	2.2096	6.1019	10.2133	12.0048	13.1132	9.2467	5.7024	2.6478	1.3847	1.0883	1.0883
18	No. of Customers	151,012	162,519	152,394	157,920	157,873	141,181	175,389	158,239	166,709	158,293	154,293	151,835
19	Normalized Volumes	170,192	337,008	929,895	1,612,886	1,895,235	1,851,336	1,621,586	902,344	414,936	216,421	167,919	165,244
20	Actual Volumes	173,004	238,492	872,642	1,632,468	2,213,712	1,817,604	2,409,768	840,904	328,076	196,517	168,183	174,979
21	Normalized Volumes Including Unbilled	209,113	627,838	1,214,694	1,802,178	2,049,880	1,611,163	1,332,275	612,736	297,792	172,110	167,919	165,244
22	Normalized Calendar Volumes	209,561	629,280	1,217,295	1,806,036	2,054,268	1,614,602	1,335,128	614,048	298,429	172,478	168,278	165,597
23													
24	Weather Adjustment	(2,812)	98,516	57,252	(19,582)	(318,476)	33,832	(788,181)	61,440	85,860	19,904	9,735	(9,735)
25													
26	Tier 1	(2,812)	98,516	57,252	(19,582)	(318,476)	33,832	(788,181)	61,440	85,860	19,904	9,735	(9,735)
27	Tier 2												
28	Tier 3												
29	Total	(2,812)	98,516	57,252	(19,582)	(318,476)	33,832	(788,181)	61,440	85,860	19,904	9,735	(9,735)
30													
31													

Atmos Energy - Kentucky
 Normalization Of Volumes For Weather
 Reference Period - Twelve Months Ending 08/31/2015
 (Weather Basis: 10-years ending 2015)

Line	Month	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-16	May-15	Jun-15	Jul-15	Aug-15
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Lagged Actual HDDs	8	75	456	723	936	877	902	307	123	31	0	0
2	Lagged Normal HDDs	3	87	389	708	847	933	633	358	121	23	0	0
3	Calendar Normal HDDs	23	235	534	801	923	801	505	216	63	1	0	0
4													
32	<u>FIRM COMMERCIAL (Rate G-1)</u>												
33													
34	Annual Customer Growth												
35	Annual Base Load Decline												
36	Annual Total Load Decline												
37													
38	Actual Constand Load	149,380	150,601	150,779	157,712	158,701	145,521	171,213	158,131	154,807	153,622	152,374	149,425
39	Actual Heat Load	33,219	88,685	239,717	544,683	814,126	698,640	832,939	241,991	43,153	(3,651)	(11,393)	11,393
40	Heat Load / Customer	1.982	5.248	14.168	30.777	45.714	42.654	43.353	13.637	2.484	(0.212)	(0.656)	0.679
41	Actual X Coefficient	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450
42	Product	0.1351	3.9171	17.5144	31.8771	38.1355	42.0075	28.6003	16.1186	5.4479	1.0356	0	0
43	Base Load	8,9113	8,9113	8,9113	8,9113	8,9113	8,9113	8,9113	8,9113	8,9113	8,9113	8,9113	8,9113
44	Normal Usage / Customer	9.0464	12.8284	26.4257	40.7884	47.0466	50.9188	37.4116	25.0299	14.3592	9.9469	8.9113	8.9113
45	No. of Customers	16,763	16,900	16,920	17,698	17,809	16,330	19,213	17,745	17,372	17,239	17,099	16,768
46	Normalized Volumes	151,645	218,800	447,123	721,873	837,856	831,504	718,789	444,155	249,448	171,475	152,374	149,425
47	Actual Volumes	182,599	239,288	390,496	702,395	972,827	842,062	1,004,152	400,122	197,960	149,971	140,981	150,817
48	Normalized Volume Including Unbilled	166,739	329,414	557,585	795,979	898,795	734,452	608,062	330,705	204,083	154,398	152,374	149,425
49	Normalized Calendar Volumes	167,082	330,092	558,732	797,616	900,644	735,963	609,313	331,385	204,503	154,716	152,688	149,732
50													
51	Weather Adjustment	(30,954)	(22,486)	58,627	19,478	(134,970)	(10,558)	(285,363)	44,034	51,488	21,504	11,393	(11,393)
52													
53	Tier 1	(24,544)	(15,645)	50,884	17,319	(117,432)	(9,245)	(248,595)	39,066	45,046	19,702	10,461	(9,931)
54	Tier 2	(6,410)	(6,841)	5,743	2,159	(17,538)	(1,313)	(38,768)	4,968	6,442	1,802	932	(1,462)
55	Tier 3	-	-	-	-	-	-	-	-	-	-	-	-
56	Total	(30,954)	(22,486)	58,627	19,478	(134,970)	(10,558)	(285,363)	44,034	51,488	21,504	11,393	(11,393)
57													
58													

Atmos Energy - Kentucky
 Normalization Of Volumes For Weather
 Reference Period - Twelve Months Ending 08/31/2015
 (Weather Basis: 10-years ending 2015)

Line	Month	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Lagged Actual HDDs	8	75	456	723	936	877	902	307	123	31	0	0
2	Lagged Normal HDDs	3	87	389	708	847	933	633	368	121	23	0	0
3	Calendar Normal HDDs	23	235	534	801	923	801	605	216	63	1	0	0
4													
59	<u>FIRM PUBLIC AUTHORITY (Rate G-1)</u>												
60													
61	Annual Customer Growth												
62	Annual Base Load Decline												
63	Annual Total Load Decline												
64													
65	Actual Constand Load	27,596	28,096	27,167	27,854	28,007	24,629	31,617	27,792	27,703	27,935	27,935	26,934
66	Actual Heat Load	6,649	15,679	58,636	126,040	181,587	162,077	195,212	60,117	22,328	2,838	(2,071)	2,071
67	Heat Load / Customer	4.305	9.974	38.576	80.847	115.882	110.391	110.351	38.650	14.405	1.815	(1.325)	1.374
68	Actual X Coefficient	0.1183	0.1183	0.1183	0.1183	0.1183	0.1183	0.1183	0.1183	0.1183	0.1183	0.1183	0.1183
69	Product	0.355	10.2962	46.0373	83.7902	100.2405	110.4184	74.9141	42.3685	14.3201	2.722	0	0
70	Base Load	17.8729	17.8729	17.8729	17.8729	17.8729	17.8729	17.8729	17.8729	17.8729	17.8729	17.8729	17.8729
71	Normal Usage / Customer	18.2279	28.1691	63.9102	101.6631	118.1134	128.2913	92.7870	60.2414	32.1930	20.5949	17.8729	17.8729
72	No. of Customers	1,544	1,572	1,520	1,559	1,567	1,378	1,769	1,555	1,550	1,583	1,563	1,507
73	Normalized Volumes	28,144	44,282	97,143	158,493	185,084	176,785	164,140	93,875	49,899	32,190	27,935	26,934
74	Actual Volumes	34,244	43,775	85,803	153,904	209,694	176,706	225,829	87,909	50,031	30,773	25,864	29,006
75	Normalized Volume Including Unbilled	31,799	71,816	123,227	176,652	199,178	155,258	137,342	67,543	39,260	28,120	27,935	26,934
76	Normalized Calendar Volumes	31,817	71,859	123,300	175,755	199,296	155,350	137,424	67,583	39,283	28,137	27,952	26,950
77													
78	Weather Adjustment	(6,101)	507	11,341	4,589	(24,510)	79	(62,689)	5,766	(132)	1,417	2,071	(2,071)
79													
80	Tier 1	(5,003)	400	9,663	3,680	(17,985)	58	(46,154)	4,877	(104)	1,178	1,724	(1,620)
81	Tier 2	(1,098)	107	1,678	909	(6,525)	21	(16,635)	889	(28)	239	347	(451)
82	Tier 3	-	-	-	-	-	-	-	-	-	-	-	-
83	Total	(6,101)	507	11,341	4,589	(24,510)	79	(62,689)	5,766	(132)	1,417	2,071	(2,071)

ATMOS ENERGY CORPORATION - KENTUCKY
 BILL FREQUENCY WITH KNOWN & MEASURABLE ADJUSTMENTS
 TEST YEAR ENDING MAY, 31 2017
 CURRENT RATES

Line No.	Class of Customers	Rate	Jun-16 (a)	Jul-16 (b)	Aug-16 (c)	Sep-16 (d)	Oct-16 (e)	Nov-16 (f)	Dec-16 (g)	Jan-17 (h)	Feb-17 (i)	Mar-17 (j)	Apr-17 (k)	May-17 (l)	Total Billing Units (m)
1	RESIDENTIAL (Rate G-1)														
2	FIRM BILLS	\$18.65	156,693	154,693	152,235	151,812	153,319	153,194	158,720	158,673	141,981	176,169	159,039	157,509	1,874,037
3	Sales: 1-300	1.3180	216,974	168,354	165,679	171,094	338,775	934,791	1,621,088	1,904,887	1,861,869	1,629,019	906,922	417,054	10,336,507
4	Sales: 301-15000	0.8800	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Sales: Over 15000	0.6200	0	0	0	0	0	0	0	0	0	0	0	0	0
6	CLASS TOTAL (Mcf/month)		216,974	168,354	165,679	171,094	338,775	934,791	1,621,088	1,904,887	1,861,869	1,629,019	906,922	417,054	10,336,507
7	Gas Charge per Mcf	\$4.58	\$4.58	\$4.58	\$4.61	\$4.61	\$4.61	\$4.55	\$4.55	\$4.55	\$4.56	\$4.56	\$4.56	\$4.83	
8	Gas Costs		\$992,972	\$770,463	\$763,593	\$788,549	\$1,561,372	\$4,256,593	\$7,381,644	\$8,673,924	\$8,485,723	\$7,424,476	\$4,133,419	\$2,016,006	\$47,248,724
9															
10	FIRM COMMERCIAL (Rate G-1)														
11	FIRM BILLS	48.44	17,239	17,099	16,768	16,763	16,900	16,920	17,698	17,809	16,330	19,213	17,745	17,372	207,855
12	Sales: 1-300	1.3180	157,106	139,909	130,251	120,244	150,844	401,776	641,864	728,984	728,067	626,175	394,045	218,235	4,437,501
13	Sales: 301-15000	0.8800	14,369	12,465	19,174	31,401	65,956	45,347	80,009	108,873	103,436	92,614	50,110	31,212	654,966
14	Sales: Over 15000	0.6200	0	0	0	0	0	0	0	0	0	0	0	0	0
15	CLASS TOTAL (Mcf/month)		171,475	152,374	149,424	151,645	216,800	447,123	721,873	637,857	831,504	718,789	444,156	249,448	5,092,467
16	Gas Charge per Mcf	\$4.58	\$4.58	\$4.58	\$4.61	\$4.61	\$4.61	\$4.55	\$4.55	\$4.55	\$4.56	\$4.56	\$4.56	\$4.83	
17	Gas Costs		\$784,744	\$697,333	\$688,678	\$698,911	\$999,202	\$2,035,978	\$3,287,058	\$3,815,190	\$3,789,691	\$3,275,979	\$2,024,300	\$1,205,811	\$23,302,876
18															
19	FIRM INDUSTRIAL (Rate G-1)														
20	FIRM BILLS	\$48.44	205	193	211	188	194	181	200	201	169	234	197	193	2,366
21	Sales: 1-300	1.3180	9,590	8,582	11,303	10,102	11,349	22,690	36,089	42,580	34,344	51,216	24,163	13,009	275,016
22	Sales: 301-15000	0.8800	5,630	4,040	10,301	9,615	7,090	19,648	46,087	66,501	54,557	81,451	20,128	5,983	331,031
23	Sales: Over 15000	0.6200	0	0	0	0	0	0	0	0	0	0	0	0	0
24	CLASS TOTAL (Mcf/month)		15,220	12,622	21,603	19,717	18,439	42,338	82,176	109,081	88,901	132,667	44,291	18,993	606,048
25	Gas Charge per Mcf	\$4.58	\$4.58	\$4.58	\$4.61	\$4.61	\$4.61	\$4.55	\$4.55	\$4.55	\$4.56	\$4.56	\$4.56	\$4.83	
26	Gas Costs		\$69,653	\$57,762	\$99,568	\$90,873	\$84,984	\$192,787	\$374,190	\$496,701	\$405,176	\$604,648	\$201,863	\$91,809	\$2,770,014
27															
28	FIRM PUBLIC AUTHORITY (Rate G-1)														
29	FIRM BILLS	\$48.44	1,563	1,563	1,507	1,544	1,572	1,520	1,559	1,567	1,378	1,769	1,555	1,550	18,647
30	Sales: 1-300	1.3180	26,755	23,259	21,072	23,078	34,966	82,772	127,113	135,814	130,292	120,845	79,228	39,399	844,592
31	Sales: 301-15000	0.8800	5,435	4,677	5,862	5,066	9,316	14,372	31,380	49,270	46,493	43,295	14,447	10,500	240,112
32	Sales: Over 15000	0.6200	0	0	0	0	0	0	0	0	0	0	0	0	0
33	CLASS TOTAL (Mcf/month)		32,190	27,935	26,935	28,143	44,282	97,144	158,493	185,084	176,785	164,140	93,675	49,899	1,084,704
34	Gas Charge per Mcf	\$4.58	\$4.58	\$4.58	\$4.61	\$4.61	\$4.61	\$4.55	\$4.55	\$4.55	\$4.56	\$4.56	\$4.56	\$4.83	
35	Gas Costs		\$147,315	\$127,844	\$124,138	\$129,710	\$204,091	\$442,345	\$721,698	\$842,781	\$805,722	\$748,089	\$426,938	\$241,206	\$4,951,877
36															
37	INTERRUPTIBLE COMMERCIAL (G-2)														
38	INT BILLS	395.56	2	2	2	2	2	2	3	4	3	3	4	2	31
39	Sales: 1-15000	0.8077	21	8	26	29	70	230	2,682	2,691	2,484	3,118	1,729	52	13,141
40	Sales: Over 15000	0.5419	0	0	0	0	0	0	0	0	0	0	0	0	1
41	CLASS TOTAL (Mcf/month)		21	8	26	29	70	230	2,682	2,691	2,484	3,118	1,729	52	13,142
42	Gas Charge per Mcf	\$3.30	\$3.30	\$3.30	\$3.33	\$3.33	\$3.33	\$3.28	\$3.28	\$3.28	\$3.28	\$3.28	\$3.28	\$3.56	
43	Gas Costs		\$69	\$27	\$85	\$98	\$232	\$755	\$8,798	\$8,825	\$8,159	\$10,240	\$5,678	\$186	\$43,152
44															

ATMOS ENERGY CORPORATION - KENTUCKY
 BILL FREQUENCY WITH KNOWN & MEASURABLE ADJUSTMENTS
 TEST YEAR ENDING MAY, 31 2017
 CURRENT RATES

Line No.	Class of Customers	Rate	Jun-16 (a)	Jul-16 (b)	Aug-16 (c)	Sep-16 (d)	Oct-16 (e)	Nov-16 (f)	Dec-16 (g)	Jan-17 (h)	Feb-17 (i)	Mar-17 (j)	Apr-17 (k)	May-17 (l)	Total Billing Units (m)
45	<u>INTERRUPTIBLE INDUSTRIAL (G-2)</u>														
46	INT BILLS	395.56	8	8	8	7	10	10	8	11	9	9	10	8	106
47	Sales: 1-15000	0.8077	36,084	16,516	18,609	11,153	28,243	13,058	22,605	27,711	19,942	34,783	23,586	39,729	292,018
48	Sales: Over 15000	0.5419	0	0	0	0	0	0	2,200	3,796	0	15,609	0	2,015	23,621
49	CLASS TOTAL (Mcf/month)		36,084	16,516	18,609	11,153	28,243	13,058	24,805	31,507	19,942	50,392	23,586	41,744	315,639
50	Gas Charge per Mcf	\$3.30	\$3.30	\$3.30	\$3.33	\$3.33	\$3.33	\$3.28	\$3.28	\$3.28	\$3.28	\$3.28	\$3.28	\$3.28	\$3.56
51	Gas Costs		\$119,097	\$54,511	\$62,023	\$37,172	\$94,132	\$42,829	\$81,359	\$103,341	\$65,492	\$165,493	\$77,457	\$148,626	\$1,051,533
52															
53	<u>TRANSPORTATION (L-4)</u>														
54	TRANSPORTATION BILLS	\$390.12	123	123	123	123	123	123	123	123	123	123	123	123	1,476
55	Trans Admin Fee		6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	\$72,600
56	EFM Fee		6,175	6,175	6,200	6,025	6,025	6,050	6,050	6,050	6,050	6,050	6,075	6,075	\$73,000
57	Parking Fee		31	34	31	40	42	116	143	174	183	70	23	26	\$913
58	Firm Transport: 1-300	1.4401	34,136	33,819	34,474	34,611	36,171	36,744	36,730	36,900	36,900	36,900	35,971	35,254	428,610
59	Firm Transport: 301-15000	0.9615	392,796	381,594	397,247	392,460	449,304	549,285	558,687	639,686	638,082	555,421	438,789	409,871	5,801,222
60	Firm Transport: Over 1500	0.6774	65,829	74,931	67,026	73,201	90,281	102,454	109,679	154,499	142,476	114,386	79,183	68,092	1,142,037
61	CLASS TOTAL (Mcf/month)		492,761	490,344	498,747	500,272	575,756	688,483	705,096	831,085	815,458	706,707	553,943	513,217	7,371,869
62															
63	<u>ECONOMIC DEV RIDER (EDR)</u>														
64	Firm Transport: 1-300	0.9885	0	0	0	0	0	0	0	0	0	0	0	0	0
65	Firm Transport: 301-15000	0.6600	0	0	0	0	0	2,728	2,728	2,728	2,728	2,342	0	0	13,254
66	Firm Transport: Over 15000	0.4650	15,917	14,559	14,845	12,932	13,935	16,096	12,868	20,840	16,808	16,256	18,323	17,135	190,514
67	CLASS TOTAL (Mcf/month)		15,917	14,559	14,845	12,932	13,935	18,824	15,596	23,568	19,536	18,598	18,323	17,135	203,768
68															
69	<u>TRANSPORTATION (T-3)</u>														
70	TRANSPORTATION BILLS	388.79	71	71	71	71	71	71	71	71	71	71	71	71	852
71	Trans Admin Fee		3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550	\$42,600
72	EFM Fee		3,500	3,650	3,675	3,200	3,300	3,300	3,300	3,300	3,325	3,325	3,325	3,325	\$40,800
73	Parking Fee		402	230	311	346	318	282	379	323	227	303	315	248	\$3,684
74	Interrupt Transport: 1-15000	0.8770	429,475	388,379	413,453	408,790	466,858	483,708	481,947	484,717	471,016	465,642	452,077	436,031	5,382,092
75	Interrupt Transport: Over 15000	0.5884	176,643	177,313	214,564	195,121	229,216	238,740	236,537	287,540	247,496	269,084	192,580	197,844	2,662,779
76	CLASS TOTAL (Mcf/month)		606,118	565,692	628,017	603,911	696,072	722,448	718,484	772,257	718,512	734,726	644,757	633,875	8,044,870
77															
78	<u>SPECIAL CONTRACTS</u>														
79	TRANSPORTATION BILLS	350.00	15	15	15	15	15	15	15	15	15	15	15	15	180
80	Trans Admin Fee		750	750	750	750	750	750	750	750	750	750	750	750	\$9,000
81	EFM Fee		700	700	700	700	700	700	700	700	700	700	700	700	\$8,400
82	Parking Fee		7,315	4,248	8,167	5,303	4,010	11,880	13,348	9,688	7,008	8,231	4,601	8,005	\$91,803
83	Transported Volumes	Various	1,109,174	1,125,907	1,134,520	1,120,717	1,161,721	1,213,200	1,264,580	1,356,515	1,329,401	1,281,922	1,164,880	1,118,519	14,381,056
84	Charges for Transport Volumes		184,229	187,733	192,587	185,354	202,793	206,978	215,502	235,901	228,103	212,926	209,658	190,762	\$2,446,525
85	CLASS TOTAL (Mcf/month)		1,109,174	1,125,907	1,134,520	1,120,717	1,161,721	1,213,200	1,264,580	1,356,515	1,329,401	1,281,922	1,164,880	1,118,519	14,381,056
86															
87	<u>OTHER REVENUE</u>														
88	Service Charges		\$53,147	\$52,352	\$49,875	\$61,445	\$120,749	\$125,695	\$56,798	\$53,861	\$48,764	\$61,274	\$55,115	\$56,750	\$795,825
89	Late Payment Fees		\$64,359	\$50,431	\$46,693	\$45,925	\$46,254	\$58,212	\$39,268	\$148,252	\$168,165	\$162,432	\$152,013	\$98,892	\$1,140,887
90															
91	TOTAL GROSS PROFIT		\$5,809,922	\$5,597,374	\$5,589,634	\$5,563,687	\$6,141,450	\$7,473,814	\$8,985,520	\$9,772,427	\$9,230,515	\$9,534,436	\$7,424,680	\$6,303,020	\$87,426,479
92	Gas Costs		\$2,113,850	\$1,707,941	\$1,738,085	\$1,745,312	\$2,944,013	\$6,971,277	\$11,854,748	\$13,940,763	\$13,559,964	\$12,228,925	\$6,869,655	\$3,703,645	\$79,378,177
93	TOTAL REVENUE		\$7,923,772	\$7,305,315	\$7,327,719	\$7,308,999	\$9,085,463	\$14,445,091	\$20,840,268	\$23,713,190	\$22,790,478	\$21,763,361	\$14,294,335	\$10,006,665	\$166,804,655

ATMOS ENERGY CORPORATION - KENTUCKY
SUMMARY OF REVENUE AT PROPOSED RATES
TEST YEAR ENDING MAY, 31 2017

Line No.	Description	Block (Mcf)	Reference Period - Twelve Months Ending 08/31/2015				Forward-looking Adjustments To Test Year		Total Test Year Volumes (i)	Proposed Margin (j)	Proposed Revenue (k)
			Number of Bills, Units (a)	Volumes As Metered (b)	Contract Adj. Bills and Volumes (c)	Weather Adj. Volumes (NOAA 2005-2015) (d)	Total Volumes (e)	Customer Growth Forecast (f)			
1	Sales										
2	Firm Sales (G-1)	Customer Chrg	1,865,637						8,400	\$18.25	\$34,201,175
3		Customer Chrg	228,871		(2)					45.00	10,299,105
4		0 - 300		16,904,416	2,143	(1,064,447)	15,842,112	51,505	0	1.5800	25,111,914
5		301 - 15,000		1,298,067	(3,225)	(68,733)	1,226,109		0	1.0100	1,238,370
6		Over 15,000		0	0	0	0		0	0.7228	0
7	Interruptible Sales (G-2)	Customer Chrg	125		12					375.00	51,375
8		0 - 15,000		316,552	(11,394)		305,158			0.8900	271,591
9		Over 15,000		156,226	(132,606)		23,620			0.6000	14,172
10											
11	Transoedation										
12	Customer Charges (T-4)	Customer Chrg	1,451		25					375.00	553,500
13	Customer Charges (T-3)	Customer Chrg	833		19					375.00	319,500
14	Customer Charges (SpK)	Customer Chrg	204		(24)					350.00	63,000
15	Transp. Adm. Fee	Customer Chrg	2,464		20					50.00	124,200
16	Parked Volumes [1]			963,991	0					0.10	86,399
17	EFM Charges									Various	122,200
18	Firm Transportation (T-4)	0 - 300		420,823	7,767		428,610			1.5800	677,204
19		301 - 15,000		5,646,929	154,293		5,801,222			1.0100	5,859,234
20		Over 15,000		1,191,778	(49,741)		1,142,037			0.7228	825,464
21	Economic Dev Rider (EDR)	301 - 15,000		0	13,254		13,254			0.7575	10,040
22		Over 15,000		92,773	97,741		190,514			0.5421	103,278
23	Interruptible Transportation (T-3)	0 - 15,000		5,094,467	287,624		5,382,091			0.8900	4,790,051
24		Over 15,000		2,598,494	64,284		2,662,778			0.6000	1,597,667
25	Total Special Contracts [2]			15,377,684	(995,628)		14,381,056			Various	1,456,880
26	Special Contract Reformatons										889,648
27	Total Tariff		2,097,121	49,098,209	(589,468)	(1,133,180)	47,398,561	59,905	0	47,450,066	88,775,974
28											
29	Other Revenues										785,825
30	Late Payment Fees										1,162,324
31	Total Gross Profit										90,734,124
32											
33	Gas Costs										79,378,177
34											
35	Total Revenue										\$ 170,112,301
36											
37	[1] Parked Volumes not Included In Total Deliveries.										
38	[2] Based on confidential information.										

ATMOS ENERGY CORPORATION - KENTUCKY
BILL FREQUENCY WITH KNOWN & MEASURABLE ADJUSTMENTS
TEST YEAR ENDING MAY, 31 2017
PROPOSED RATES

Line No.	Class of Customers	Rate	Jun-16 (a)	Jul-16 (b)	Aug-16 (c)	Sep-16 (d)	Oct-16 (e)	Nov-16 (f)	Dec-16 (g)	Jan-17 (h)	Feb-17 (i)	Mar-17 (j)	Apr-17 (k)	May-17 (l)	Total Billing Units (m)
1	<u>RESIDENTIAL (Rate G-1)</u>														
2	FIRM BILLS	\$18.25	156,693	154,693	152,235	151,812	153,319	153,194	158,720	158,673	141,981	176,169	159,039	157,509	1,874,037
3	Sales: 1-300	1.5800	216,974	188,354	165,679	171,094	338,775	934,791	1,621,088	1,904,887	1,861,869	1,629,019	906,922	417,054	10,336,507
4	Sales: 301-15000	1.0100	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Sales: Over 15000	0.7228	0	0	0	0	0	0	0	0	0	0	0	0	0
6	<u>CLASS TOTAL (Mcf/month)</u>		216,974	168,354	165,679	171,094	338,775	934,791	1,621,088	1,904,887	1,861,869	1,629,019	906,922	417,054	10,336,507
7	Gas Charge per Mcf	\$4.58	\$4.58	\$4.58	\$4.61	\$4.61	\$4.61	\$4.55	\$4.55	\$4.55	\$4.56	\$4.56	\$4.56	\$4.83	
8	Gas Costs	\$992,972	\$770,463	\$763,593	\$788,549	\$1,561,372	\$4,256,583	\$7,381,644	\$8,673,924	\$8,485,723	\$7,424,476	\$4,133,419	\$2,016,006	\$47,249,724	
9															
10	<u>FIRM COMMERCIAL (Rate G-1)</u>														
11	FIRM BILLS	45.00	17,239	17,099	16,768	16,763	16,900	16,920	17,698	17,809	16,330	19,213	17,745	17,372	207,856
12	Sales: 1-300	1.5800	157,106	139,909	130,251	120,244	150,844	401,776	641,864	728,984	728,067	626,175	394,045	218,235	4,437,501
13	Sales: 301-15000	1.0100	14,369	12,465	19,174	31,401	65,956	45,347	80,009	108,873	103,436	92,614	50,110	31,212	654,966
14	Sales: Over 15000	0.7228	0	0	0	0	0	0	0	0	0	0	0	0	0
15	<u>CLASS TOTAL (Mcf/month)</u>		171,475	152,374	149,424	151,645	216,800	447,123	721,873	837,857	831,504	718,789	444,156	249,448	5,092,467
16	Gas Charge per Mcf	\$4.58	\$4.58	\$4.58	\$4.61	\$4.61	\$4.61	\$4.55	\$4.55	\$4.55	\$4.56	\$4.56	\$4.56	\$4.83	
17	Gas Costs	\$784,744	\$697,333	\$688,678	\$698,911	\$999,202	\$2,035,978	\$3,287,058	\$3,815,190	\$3,789,691	\$3,275,979	\$2,024,300	\$1,205,811	\$23,302,876	
18															
19	<u>FIRM INDUSTRIAL (Rate G-1)</u>														
20	FIRM BILLS	\$45.00	205	193	211	188	194	181	200	201	169	234	197	193	2,366
21	Sales: 1-300	1.5800	9,590	8,582	11,303	10,102	11,349	22,690	36,089	42,580	34,344	51,216	24,163	13,009	275,016
22	Sales: 301-15000	1.0100	5,630	4,040	10,301	9,615	7,090	19,648	45,087	66,501	54,557	81,451	20,128	5,983	331,031
23	Sales: Over 15000	0.7228	0	0	0	0	0	0	0	0	0	0	0	0	0
24	<u>CLASS TOTAL (Mcf/month)</u>		15,220	12,622	21,603	19,717	18,439	42,338	82,176	109,081	88,901	132,657	44,291	18,993	606,048
25	Gas Charge per Mcf	\$4.58	\$4.58	\$4.58	\$4.61	\$4.61	\$4.61	\$4.55	\$4.55	\$4.55	\$4.56	\$4.56	\$4.56	\$4.83	
26	Gas Costs	\$69,653	\$57,762	\$99,568	\$90,873	\$84,984	\$192,787	\$374,190	\$496,701	\$405,176	\$604,648	\$201,863	\$91,809	\$2,770,014	
27															
28	<u>FIRM PUBLIC AUTHORITY (Rate G-1)</u>														
29	FIRM BILLS	\$45.00	1,563	1,563	1,507	1,544	1,572	1,520	1,559	1,567	1,378	1,769	1,555	1,550	18,647
30	Sales: 1-300	1.5800	26,755	23,259	21,072	23,078	34,966	82,772	127,113	135,814	130,292	120,845	79,228	39,399	844,592
31	Sales: 301-15000	1.0100	5,435	4,677	5,862	5,066	9,316	14,372	31,380	49,270	46,493	43,295	14,447	10,500	240,112
32	Sales: Over 15000	0.7228	0	0	0	0	0	0	0	0	0	0	0	0	0
33	<u>CLASS TOTAL (Mcf/month)</u>		32,190	27,935	26,935	28,143	44,282	97,144	158,493	185,084	176,785	164,140	93,675	49,899	1,084,704
34	Gas Charge per Mcf	\$4.58	\$4.58	\$4.58	\$4.61	\$4.61	\$4.61	\$4.55	\$4.55	\$4.55	\$4.56	\$4.56	\$4.56	\$4.83	
35	Gas Costs	\$147,315	\$127,844	\$124,138	\$129,710	\$204,091	\$442,345	\$721,698	\$842,781	\$805,722	\$748,089	\$426,938	\$241,206	\$4,961,877	
36															
37	<u>INTERRUPTIBLE COMMERCIAL (G-2)</u>														
38	INT BILLS	375.00	2	2	2	2	2	2	3	4	3	3	4	2	31
39	Sales: 1-15000	0.8900	21	8	26	29	70	230	2,682	2,691	2,484	3,118	1,729	52	13,141
40	Sales: Over 15000	0.6000	0	0	0	0	0	0	0	0	0	0	0	0	1
41	<u>CLASS TOTAL (Mcf/month)</u>		21	8	26	29	70	230	2,682	2,691	2,484	3,118	1,729	52	13,142
42	Gas Charge per Mcf	\$3.30	\$3.30	\$3.33	\$3.33	\$3.33	\$3.33	\$3.28	\$3.28	\$3.28	\$3.28	\$3.28	\$3.28	\$3.56	
43	Gas Costs	\$69	\$27	\$85	\$98	\$232	\$755	\$8,798	\$8,825	\$8,159	\$10,240	\$5,678	\$186	\$43,152	
44															

ATMOS ENERGY CORPORATION - KENTUCKY
 BILL FREQUENCY WITH KNOWN & MEASURABLE ADJUSTMENTS
 TEST YEAR ENDING MAY, 31 2017
 PROPOSED RATES

Line No.	Class of Customers	Rate	Jun-16 (a)	Jul-16 (b)	Aug-16 (c)	Sep-16 (d)	Oct-16 (e)	Nov-16 (f)	Dec-16 (g)	Jan-17 (h)	Feb-17 (i)	Mar-17 (j)	Apr-17 (k)	May-17 (l)	Total Billing Units (m)
45	<u>INTERRUPTIBLE INDUSTRIAL (G-2)</u>														
46	INT BILLS	375.00	8	8	8	7	10	10	8	11	9	9	10	8	106
47	Sales: 1-15000	0.8900	36,084	16,516	18,609	11,153	28,243	13,058	22,605	27,711	19,942	34,783	23,586	39,729	292,019
48	Sales: Over 15000	0.6000	0	0	0	0	0	0	2,200	3,796	0	15,609	0	2,015	23,621
49	CLASS TOTAL (Mcf/month)		36,084	16,516	18,609	11,153	28,243	13,058	24,805	31,507	19,942	50,392	23,586	41,744	315,639
50	Gas Charge per Mcf		\$3.30	\$3.30	\$3.33	\$3.33	\$3.33	\$3.28	\$3.28	\$3.28	\$3.28	\$3.28	\$3.28	\$3.56	
51	Gas Costs		\$119,097	\$54,511	\$62,023	\$37,172	\$94,132	\$42,829	\$81,359	\$103,341	\$65,492	\$165,493	\$77,457	\$148,626	\$1,051,533
52															
53	<u>TRANSPORTATION (T-4)</u>														
54	TRANSPORTATION BILLS	375.00	123	123	123	123	123	123	123	123	123	123	123	123	1,476
55	Trans Admin Fee		6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	\$72,600
56	EFM Fee		6,175	6,175	6,200	6,025	6,025	6,050	6,050	6,050	6,050	6,050	6,075	6,075	\$73,000
57	Parking Fee		31	34	31	40	42	116	143	174	183	70	23	26	\$913
58	Firm Transport: 1-300	1.5800	34,136	33,819	34,474	34,611	36,171	36,744	36,730	36,900	36,900	36,900	35,971	35,254	428,610
59	Firm Transport: 301-15000	1.0100	392,796	381,594	397,247	392,460	449,304	549,285	558,687	639,686	636,082	555,421	438,789	409,871	5,801,222
60	Firm Transport: Over 1500	0.7228	65,829	74,931	67,026	73,201	90,281	102,454	109,679	154,499	142,476	114,386	79,183	68,092	1,142,037
61	CLASS TOTAL (Mcf/month)		492,761	490,344	498,747	500,272	575,756	688,483	705,096	831,085	815,458	706,707	553,943	513,217	7,371,869
62															
63	<u>ECONOMIC DEV RIDER (EDR)</u>														
64	Firm Transport: 1-300	1.1850	0	0	0	0	0	0	0	0	0	0	0	0	0
65	Firm Transport: 301-15000	0.7575	0	0	0	0	0	2,728	2,728	2,728	2,728	2,342	0	0	13,254
66	Firm Transport: Over 15000	0.5421	15,917	14,559	14,845	12,932	13,935	16,096	12,868	20,840	16,808	16,256	18,323	17,135	190,514
67	CLASS TOTAL (Mcf/month)		15,917	14,559	14,845	12,932	13,935	18,824	15,596	23,568	19,536	18,598	18,323	17,135	203,768
68															
69	<u>TRANSPORTATION (T-3)</u>														
70	TRANSPORTATION BILLS	375.00	71	71	71	71	71	71	71	71	71	71	71	71	852
71	Trans Admin Fee		3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550	\$42,600
72	EFM Fee		3,500	3,650	3,675	3,200	3,300	3,300	3,300	3,325	3,325	3,325	3,325	3,600	\$40,800
73	Parking Fee		402	230	311	346	318	282	379	323	227	303	315	248	\$3,684
74	Interrupt Transport: 1-15000	0.8900	429,475	388,379	413,453	408,790	466,856	483,708	481,947	484,717	471,016	465,642	452,077	436,031	5,382,092
75	Interrupt Transport: Over 15000	0.6000	176,643	177,313	214,564	195,121	229,216	238,740	236,537	287,540	247,496	269,084	192,680	197,844	2,662,779
76	CLASS TOTAL (Mcf/month)		606,118	565,692	628,017	603,911	696,072	722,448	718,484	772,257	718,512	734,726	644,757	633,875	8,044,870
77															
78	<u>SPECIAL CONTRACTS</u>														
79	TRANSPORTATION BILLS	350.00	15	15	15	15	15	15	15	15	15	15	15	15	180
80	Trans Admin Fee		750	750	750	750	750	750	750	750	750	750	750	750	\$9,000
81	EFM Fee		700	700	700	700	700	700	700	700	700	700	700	700	\$8,400
82	Parking Fee		7,315	4,248	8,167	5,303	4,010	11,680	13,348	9,688	7,008	8,231	4,601	8,005	\$91,803
83	Transported Volumes	Various	1,109,174	1,125,907	1,134,520	1,120,717	1,161,721	1,213,200	1,264,580	1,356,515	1,329,401	1,281,922	1,164,880	1,118,519	14,381,056
84	Charges for Transport Volumes		184,229	187,733	192,587	185,354	202,793	206,978	215,502	235,901	228,103	212,926	203,658	190,762	\$2,446,525
85	CLASS TOTAL (Mcf/month)		1,109,174	1,125,907	1,134,520	1,120,717	1,161,721	1,213,200	1,264,580	1,356,515	1,329,401	1,281,922	1,164,880	1,118,519	14,381,056
86															
87	<u>OTHER REVENUE</u>														
88	Service Charges		\$53,147	\$52,352	\$49,875	\$61,445	\$120,749	\$125,695	\$56,798	\$53,861	\$48,764	\$61,274	\$55,115	\$56,750	\$795,825
89	Late Payment Fees		\$64,201	\$50,135	\$46,394	\$45,633	\$46,433	\$60,251	\$103,355	\$153,180	\$173,071	\$166,413	\$153,933	\$99,325	\$1,162,324
90															
91	TOTAL GROSS PROFIT		\$5,828,142	\$5,595,385	\$5,590,088	\$5,563,731	\$6,207,209	\$7,783,653	\$9,561,937	\$10,466,845	\$9,917,219	\$10,108,054	\$7,713,256	\$6,398,604	\$90,734,124
92	Gas Costs		\$2,113,850	\$1,707,941	\$1,738,085	\$1,745,312	\$2,944,013	\$6,971,277	\$11,854,748	\$13,940,763	\$13,559,964	\$12,228,925	\$6,869,655	\$3,703,645	\$79,378,177
93	TOTAL REVENUE		\$7,941,992	\$7,303,326	\$7,328,173	\$7,309,043	\$9,151,222	\$14,754,930	\$21,416,685	\$24,407,608	\$23,477,183	\$22,336,979	\$14,582,910	\$10,102,249	\$170,112,301

Workpapers

Line No.	Billing Component	Analysis Index	Current Rate	Proposed Rate	Billing Component	Current Rate	Amount	Proposed Rate	Amount	Current EDR Rate	GAS COST	TTL CHARGE	EDR																
														Current Rate	Proposed Rate	Current Rate	Proposed Rate	Current Rate	Proposed Rate										
1	CUSTOMER CHARGES, Fixed																												
2	Firm Service - Residential	0-1	11.43	11.43	RESERVE CHARGES	34.00	44.00	34.00	44.00	44.00	1.50	13.25	1.78																
3	Firm Service - Non-Residential	0-1	14.14	14.14	Meter Set	32.00	32.00	32.00	32.00	32.00	30.00	30	5.7																
4	Interruptible Sales	0-2	331.54	331.54	Turn On	12.00	12.00	12.00	12.00	12.00	300.00	300	44.07																
5	Firm Transportation	T-4	430.12	370.00	Road	334.00	334.00	334.00	334.00	334.00	300.00	300	28.33																
6	Interruptible Transportation	T-3	338.78	374.00	Reconnect/Dispatch Service	12.00	12.00	12.00	12.00	12.00																			
7	DISTRIBUTION CHARGES, Fixed		335.00	335.00	Seasonal Charge	32.00	32.00	32.00	32.00	32.00																			
8	Firm Sales	0-1	1.370	1.370	Special Meter Reading Charge	32.00	32.00	32.00	32.00	32.00																			
9	1-200 kW		30.2500	30.2500	Meter Test Charge	32.00	32.00	32.00	32.00	32.00																			
10	201-1500 kW		30.2500	30.2500	029 Paused Demand Charge	32.00	32.00	32.00	32.00	32.00																			
11	Over 1500		30.2500	30.2500	Line Payment Charge	32.00	32.00	32.00	32.00	32.00																			
12	Firm Transportation	T-4	0.0200	0.0200	Over 1 Equip. Charge	32.00	32.00	32.00	32.00	32.00																			
13	1-200 kW		1.4401	1.5900	Over 2 Equip. Charge	32.00	32.00	32.00	32.00	32.00																			
14	201-1500 kW		0.8915	1.0110																									
15	Over 1500		0.8774	0.7225																									
16	Interruptible Sales	0-2	30.0200	30.0200																									
17	1-1000 kW		30.0810	30.0810																									
18	Over 1000		0.8077	0.8000																									
19	Interruptible Transportation	T-3	0.5419	0.6000																									
20	1-1500 kW		0.8770	0.8300																									
21	Over 1500		0.5844	0.6300																									
22	OTHER CHARGES																												
23	Trans. Min. Firm, MW	T-2, T-1, T-4	50.00	50.00																									
24	Prdng. MW	T-4, T-3	0.10	0.10																									
25																													
26	SUMMARY OF PROPOSED VS. CURRENT RATES:																												
27																													
28	Fixed Costs	Current	34,950,790	Proposed	34,291,175	% Change	-2.14%	Current	13,813,619	Proposed	13,501,041	% Change	-19.83%	Current	4,957,426	Proposed	6,652,655	Difference	1,695,229	% Change	33.9%	Current EDR Rate	44.00	GAS COST	42,824,374	TTL CHARGE	23,322,870	EDR	394,222
29	Residual	Current	10,001,546	Proposed	8,255,425	% Change	-17.0%	Current	6,014,156	Proposed	7,722,716	% Change	19.43%	Current	14,013,941	Proposed	11,026,228	Difference	2,987,713	% Change	21.3%	Current EDR Rate	16,493,841	GAS COST	23,322,870	TTL CHARGE	12,916	EDR	18,578
30	Commercial Firm	Current	114,690	Proposed	108,470	% Change	-5.10%	Current	53,079	Proposed	794,333	% Change	17.89%	Current	70,283	Proposed	878,338	Difference	708,055	% Change	1000%	Current EDR Rate	108,358	GAS COST	2,770,014	TTL CHARGE	3,026	EDR	6,658
31	Industrial Firm	Current	803,261	Proposed	693,115	% Change	-13.0%	Current	1,920,471	Proposed	1,579,259	% Change	-18.0%	Current	2,221,732	Proposed	2,410,044	Difference	188,312	% Change	8.5%	Current EDR Rate	4,811,077	GAS COST	4,811,077	TTL CHARGE	2,178	EDR	18,573
32	Public Agency Firm	Current	54,192	Proposed	61,273	% Change	13.0%	Current	259,278	Proposed	262,794	% Change	1.3%	Current	313,419	Proposed	331,135	Difference	17,716	% Change	5.7%	Current EDR Rate	1,094,595	GAS COST	1,094,595	TTL CHARGE	1,894	EDR	2,353
33	Commercial/Industrial	Current	807,049	Proposed	673,000	% Change	-16.0%	Current	1,920,471	Proposed	1,842,419	% Change	-4.0%	Current	14,493,585	Proposed	14,808,585	Difference	315,000	% Change	2.2%	Current EDR Rate	14,483,805	GAS COST	-	TTL CHARGE	-	EDR	18,585
34	Transportation	Current	53,000	Proposed	53,000	% Change	0.0%	Current	109,230	Proposed	109,230	% Change	0.0%	Current	2,818,728	Proposed	2,818,728	Difference	0.0%	% Change	0.0%	Current EDR Rate	2,818,728	GAS COST	-	TTL CHARGE	-	EDR	19,911
35	Special Contract	Current	47,001,482	Proposed	45,807,685	% Change	-2.5%	Current	30,265,258	Proposed	42,442,524	% Change	37.3%	Current	62,983,370	Proposed	63,719,278	Difference	735,908	% Change	1.2%	Current EDR Rate	3,229,206	GAS COST	-	TTL CHARGE	-	EDR	2,85%
36	Schedule Firm	Current	50,000	Proposed	50,000	% Change	0.0%	Current	1,092,330	Proposed	1,092,330	% Change	0.0%	Current	1,092,330	Proposed	1,092,330	Difference	0.0%	% Change	0.0%	Current EDR Rate	1,092,330	GAS COST	-	TTL CHARGE	-	EDR	-
37	Other Gas Expenses	Current	4,587,685	Proposed	4,587,685	% Change	0.0%	Current	30,265,258	Proposed	42,442,524	% Change	37.3%	Current	62,983,370	Proposed	63,719,278	Difference	735,908	% Change	1.2%	Current EDR Rate	3,229,206	GAS COST	-	TTL CHARGE	-	EDR	-
38	Other Gas Expenses	Current	4,587,685	Proposed	4,587,685	% Change	0.0%	Current	1,092,330	Proposed	1,092,330	% Change	0.0%	Current	1,092,330	Proposed	1,092,330	Difference	0.0%	% Change	0.0%	Current EDR Rate	1,092,330	GAS COST	-	TTL CHARGE	-	EDR	-
39	Total Revenue	Current	64%	Proposed	50%			Current	1,092,330	Proposed	1,092,330	% Change	0.0%	Current	1,092,330	Proposed	1,092,330	Difference	0.0%	% Change	0.0%	Current EDR Rate	1,092,330	GAS COST	-	TTL CHARGE	-	EDR	-
40	1% Food	Current	64%	Proposed	50%			Current	1,092,330	Proposed	1,092,330	% Change	0.0%	Current	1,092,330	Proposed	1,092,330	Difference	0.0%	% Change	0.0%	Current EDR Rate	1,092,330	GAS COST	-	TTL CHARGE	-	EDR	-
41	1% Food	Current	64%	Proposed	50%			Current	1,092,330	Proposed	1,092,330	% Change	0.0%	Current	1,092,330	Proposed	1,092,330	Difference	0.0%	% Change	0.0%	Current EDR Rate	1,092,330	GAS COST	-	TTL CHARGE	-	EDR	-
42	1% Food	Current	64%	Proposed	50%			Current	1,092,330	Proposed	1,092,330	% Change	0.0%	Current	1,092,330	Proposed	1,092,330	Difference	0.0%	% Change	0.0%	Current EDR Rate	1,092,330	GAS COST	-	TTL CHARGE	-	EDR	-
43	1% Food	Current	64%	Proposed	50%			Current	1,092,330	Proposed	1,092,330	% Change	0.0%	Current	1,092,330	Proposed	1,092,330	Difference	0.0%	% Change	0.0%	Current EDR Rate	1,092,330	GAS COST	-	TTL CHARGE	-	EDR	-
44	1% Food	Current	64%	Proposed	50%			Current	1,092,330	Proposed	1,092,330	% Change	0.0%	Current	1,092,330	Proposed	1,092,330	Difference	0.0%	% Change	0.0%	Current EDR Rate	1,092,330	GAS COST	-	TTL CHARGE	-	EDR	-
45	1% Food	Current	64%	Proposed	50%			Current	1,092,330	Proposed	1,092,330	% Change	0.0%	Current	1,092,330	Proposed	1,092,330	Difference	0.0%	% Change	0.0%	Current EDR Rate	1,092,330	GAS COST	-	TTL CHARGE	-	EDR	-
46	1% Food	Current	64%	Proposed	50%			Current	1,092,330	Proposed	1,092,330	% Change	0.0%	Current	1,092,330	Proposed	1,092,330	Difference	0.0%	% Change	0.0%	Current EDR Rate	1,092,330	GAS COST	-	TTL CHARGE	-	EDR	-
47	1% Food	Current	64%	Proposed	50%			Current	1,092,330	Proposed	1,092,330	% Change	0.0%	Current	1,092,330	Proposed	1,092,330	Difference	0.0%	% Change	0.0%	Current EDR Rate	1,092,330	GAS COST	-	TTL CHARGE	-	EDR	-
48	1% Food	Current	64%	Proposed	50%			Current	1,092,330	Proposed	1,092,330	% Change	0.0%	Current	1,092,330	Proposed	1,092,330	Difference	0.0%	% Change	0.0%	Current EDR Rate	1,092,330	GAS COST	-	TTL CHARGE	-	EDR	-
49	1% Food	Current	64%	Proposed	50%			Current	1,092,330	Proposed	1,092,330	% Change	0.0%	Current	1,092,330	Proposed	1,092,330	Difference	0.0%	% Change	0.0%	Current EDR Rate	1,092,330	GAS COST	-	TTL CHARGE	-	EDR	-
50	1% Food	Current	64%	Proposed	50%			Current	1,092,330	Proposed	1,092,330	% Change	0.0%	Current	1,092,330	Proposed	1,092,330	Difference	0.0%	% Change	0.0%	Current EDR Rate	1,092,330	GAS COST	-	TTL CHARGE	-	EDR	-
51	1% Food	Current	64%	Proposed	50%			Current	1,092,330	Proposed	1,092,330	% Change	0.0%	Current	1,092,330	Proposed	1,092,330	Difference	0.0%	% Change	0.0%	Current EDR Rate	1,092,330	GAS COST	-	TTL CHARGE	-	EDR	-
52	1% Food	Current	64%	Proposed	50%			Current	1,092,330	Proposed	1,092,330	% Change	0.0%	Current	1,092,330	Proposed	1,092,330	Difference	0.0%	% Change	0.0%	Current EDR Rate	1,092,330	GAS COST	-	TTL CHARGE	-	EDR	-
53	1% Food	Current	64%	Proposed	50%			Current	1,092,330	Proposed	1,092,330	% Change	0.0%	Current	1,092,330	Proposed	1,092,330	Difference	0.0%	% Change	0.0%	Current EDR Rate	1,092,330	GAS COST	-	TTL CHARGE	-	EDR	-
54	1% Food	Current	64%	Proposed	50%			Current	1,092,330	Proposed	1,092,330	% Change	0.0%	Current	1,092,330	Proposed	1,092,330	Difference	0.0%	% Change	0.0%	Current EDR Rate	1,092,330	GAS COST	-	TTL CHARGE	-	EDR	-
55	1% Food	Current	64%	Proposed	50%			Current	1,092,330	Proposed	1,092,330	% Change	0.0%	Current	1,092,330	Proposed	1,092,330	Difference	0.0%	% Change	0.0%	Current EDR Rate	1,092,330	GAS COST	-	TTL CHARGE	-	EDR	-
56	1% Food	Current	64%	Proposed	50%			Current	1,092,330	Proposed	1,092,330	% Change	0.0%	Current	1,092,330	Proposed	1,092,330	Difference	0.0%	% Change	0.0%	Current EDR Rate	1,092,330	GAS COST	-	TTL CHARGE	-	EDR	-
57	1% Food	Current	64%	Proposed	50%			Current	1,092,330	Proposed	1,092,330	% Change	0.0%	Current	1,092,330	Proposed	1,092,330	Difference	0.0%	% Change	0.0%	Current EDR Rate	1,092,330	GAS COST	-	TTL CHARGE	-	EDR	-
58	1% Food	Current	64%	Proposed	50%			Current	1,092,330	Proposed	1,092,330	% Change	0.0%	Current	1,092,330	Proposed	1,092,330	Difference	0.0%	% Change	0.0%	Current EDR Rate	1,092,330	GAS COST	-	TTL CHARGE	-	EDR	

Ind & Transp	21,592,951	27,658,978	604,116	2.8%	415	121.71	6,299	4.41%	4,837.95
Com & PA	47,652,055	47,773,599	721,544	1.5%	10,870	3.19	27.3	1.5%	210.39
Other	1,528,712	1,458,149	21,437	1.1%	178,453	1.57			
	148,804,658	170,112,304	3,307,848	2.0%					

Residential

Customer Charge	\$13.05	\$10.25
Distribution Rate	\$1.2180	\$1.0000
Usage	5.5	6.5
Distribution Charge	\$7.25	\$6.73
GCA Fm	\$4,0295	\$4,0295
Gas Cost Charge	\$22.16	\$22.46
Total	\$44.33	\$44.50

	\$1.04	2.15%
	1.05	2.17%

OVERLUN CHARGES, INCL
Firm Charge Overrun

G-1, LVS-1, T300-1, T4

1-300 Lbf	1,3100
301-1500 Lbf	0.6000
Over 1500	0.7228
1-1500 Lbf	3.6077
Over 1500	0.6000

G-2, LVS-2, T300-2, T3

1-300 Lbf	1,3100
301-1500 Lbf	0.6000
Over 1500	0.7228
1-1500 Lbf	3.6077
Over 1500	0.6000

Current	0.7130	2.2472	Current 1st block
Proposed X			
1,100			
0.6339			
0.3367			
1,070			
0.7039			

INT. CARRIAGE OVERUN

G-1, LVS-1, T300-1, T4

1-300 Lbf	1,3100
301-1500 Lbf	0.6000
Over 1500	0.7228
1-1500 Lbf	3.6077
Over 1500	0.6000

Current	0.7130	2.2472	Current 1st block
Proposed X			
1,100			
0.6339			
0.3367			
1,070			
0.7039			

CUSTOMER CHARGES, Smooth

G-1, LVS-1, T300-1, T4

1-300 Lbf	1,3100
301-1500 Lbf	0.6000
Over 1500	0.7228
1-1500 Lbf	3.6077
Over 1500	0.6000

Current	0.7130	2.2472	Current 1st block
Proposed X			
1,100			
0.6339			
0.3367			
1,070			
0.7039			

INT. CARRIAGE OVERUN

G-2, LVS-2, T300-2, T3

1-300 Lbf	1,3100
301-1500 Lbf	0.6000
Over 1500	0.7228
1-1500 Lbf	3.6077
Over 1500	0.6000

Current	0.7130	2.2472	Current 1st block
Proposed X			
1,100			
0.6339			
0.3367			
1,070			
0.7039			

PERCENTAGE CHANGES

G-1, LVS-1, T300-1, T4

1-300 Lbf	1,3100
301-1500 Lbf	0.6000
Over 1500	0.7228
1-1500 Lbf	3.6077
Over 1500	0.6000

Current	0.7130	2.2472	Current 1st block
Proposed X			
1,100			
0.6339			
0.3367			
1,070			
0.7039			

PERCENTAGE CHANGES

G-2, LVS-2, T300-2, T3

1-300 Lbf	1,3100
301-1500 Lbf	0.6000
Over 1500	0.7228
1-1500 Lbf	3.6077
Over 1500	0.6000

Current	0.7130	2.2472	Current 1st block
Proposed X			
1,100			
0.6339			
0.3367			
1,070			
0.7039			

PERCENTAGE CHANGES

G-1, LVS-1, T300-1, T4

1-300 Lbf	1,3100
301-1500 Lbf	0.6000
Over 1500	0.7228
1-1500 Lbf	3.6077
Over 1500	0.6000

Current	0.7130	2.2472	Current 1st block
Proposed X			
1,100			
0.6339			
0.3367			
1,070			
0.7039			

PERCENTAGE CHANGES

G-2, LVS-2, T300-2, T3

1-300 Lbf	1,3100
301-1500 Lbf	0.6000
Over 1500	0.7228
1-1500 Lbf	3.6077
Over 1500	0.6000

Current	0.7130	2.2472	Current 1st block
Proposed X			
1,100			
0.6339			
0.3367			
1,070			
0.7039			

PERCENTAGE CHANGES

G-1, LVS-1, T300-1, T4

1-300 Lbf	1,3100
301-1500 Lbf	0.6000
Over 1500	0.7228
1-1500 Lbf	3.6077
Over 1500	0.6000

Current	0.7130	2.2472	Current 1st block
Proposed X			
1,100			
0.6339			
0.3367			
1,070			
0.7039			

PERCENTAGE CHANGES

G-2, LVS-2, T300-2, T3

1-300 Lbf	1,3100
301-1500 Lbf	0.6000
Over 1500	0.7228
1-1500 Lbf	3.6077
Over 1500	0.6000

Current	0.7130	2.2472	Current 1st block
Proposed X			
1,100			
0.6339			
0.3367			
1,070			
0.7039			

PERCENTAGE CHANGES

G-1, LVS-1, T300-1, T4

1-300 Lbf	1,3100
301-1500 Lbf	0.6000
Over 1500	0.7228
1-1500 Lbf	3.6077
Over 1500	0.6000

Current	0.7130	2.2472	Current 1st block
Proposed X			
1,100			
0.6339			
0.3367			
1,070			
0.7039			

PERCENTAGE CHANGES

G-2, LVS-2, T300-2, T3

1-300 Lbf	1,3100
301-1500 Lbf	0.6000
Over 1500	0.7228
1-1500 Lbf	3.6077
Over 1500	0.6000

Current	0.7130	2.2472	Current 1st block
Proposed X			
1,100			
0.6339			
0.3367			
1,070			
0.7039			

PERCENTAGE CHANGES

G-1, LVS-1, T300-1, T4

1-300 Lbf	1,3100
301-1500 Lbf	0.6000
Over 1500	0.7228
1-1500 Lbf	3.6077
Over 1500	0.6000

Current	0.7130	2.2472	Current 1st block
Proposed X			
1,100			
0.6339			
0.3367			
1,070			
0.7039			

PERCENTAGE CHANGES

G-2, LVS-2, T300-2, T3

1-300 Lbf	1,3100
301-1500 Lbf	0.6000
Over 1500	0.7228
1-1500 Lbf	3.6077
Over 1500	0.6000

Current	0.7130	2.2472	Current 1st block
Proposed X			
1,100			
0.6339			
0.3367			
1,070			
0.7039			

Test Year	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Total
Residential													
Customers	156,693	154,693	152,235	151,812	153,319	153,194	158,720	158,673	141,981	176,169	159,039	157,509	1,874,037
Mcf	216,974	168,354	165,679	171,094	338,775	934,791	1,621,088	1,904,887	1,861,869	1,629,019	906,922	417,054	10,336,507
Commercial & Public Authority													
Customers	18,802	18,662	18,275	18,307	18,472	18,440	19,257	19,376	17,708	20,982	19,300	18,922	226,503
Mcf	203,664	180,310	176,359	179,788	261,082	544,266	880,366	1,022,941	1,008,289	882,929	537,831	299,347	6,177,171
Firm Industrial													
Customers	205	193	211	188	194	181	200	201	169	234	197	193	2,366
Mcf	15,220	12,622	21,603	19,717	18,439	42,338	82,176	109,081	88,901	132,667	44,291	18,993	606,048
Interruptible & Transportation													
Customers	219	219	219	218	221	221	220	224	221	221	223	219	2,645
Mcf	2,260,075	2,213,026	2,294,763	2,249,015	2,475,796	2,656,243	2,731,243	3,017,622	2,905,334	2,795,463	2,407,218	2,324,543	30,330,340

	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation	Total
Base Load per Customer (Jul & Aug)	1.09	9.66	84.72	10,292	
Total Base Load per year	2,039,534	2,187,143	200,437	27,221,696	
Average Daily Base Load per Customer	0.03578	0.31746	2.78517	338.35911	
Heating Load Per Year	8,296,973	3,990,028	405,610	3,108,644	
Annual HDDs	4,102	4,102	4,102	4,102	
Heating Load per Customer per HDD	0.01295	0.05153	0.50151	3.43820	
Peak Design Day HDD	60	60	60	60	
Peak Day per Average Customer	0.81288	3.40946	32.87580	544.65103	
Total Class Peak Day, Mcf	126,948	64,354	6,482	120,050	317,834

Atmos Energy - Kentucky
Actual & Normal Degree Days
Reference Period - Twelve Months Ending 08/31/2015

Line No.	Month	Actual Ddays	Normal Ddays	Lagged Actual Mo. Ddays (1)	Lagged Normal Mo. Ddays (1)
	(a)	(b)	(c)	(d)	(e)
Basis: NOAA Normals for 2005-2015					
1	Sep-14	20	23	8	3
2	Oct-14	195	235	75	87
3	Nov-14	706	534	456	389
4	Dec-14	747	801	723	708
5	Jan-15	948	923	936	847
6	Feb-15	1,027	801	877	933
7	Mar-15	570	505	902	633
8	Apr-15	174	216	307	358
9	May-15	46	63	123	121
10	Jun-15	5	1	31	23
11	Jul-15	0	0	0	0
12	Aug-15	0	0	0	0
13					
14		4,438	4,102	4,438	4,102

- (1) Based upon 16th of previous month through 15th of billing month.
(2) Per NOAA, as reported for stations in Paducah (35.0%), Evansville (23.9%), Louisville (4.3%), Lexington (13.9%) and Nashville (23.0%).

ATMOS ENERGY CORP., KENTUCKY/MID STATES DIVISION
KENTUCKY JURISDICTION
GAS COST BY FERC ACCOUNT

Acct.	Description	Actual						Base		Base		Base		Base	
		Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Actual Mar-15	Actual Apr-15	Actual May-15	Actual Jun-15	Actual Jul-15	Actual Aug-15		
8001	Intercompany Gas Well-head Purchases	-	-	-	209,721	143,670	592,971	283,920	308,563	-	-	-	-		
8010	Natural gas field line purchases	11,368	7,226	9,254	7,168	7,942	5,014	12,478	9,143	5,884	5,782	5,655	6,582		
8040	Natural Gas City Gate Purchases	6,845,114	7,001,643	8,537,474	8,804,417	6,149,355	3,488,847	5,149,422	1,646,031	5,691,673	4,195,845	4,747,563	4,098,568		
8050	Transmission-Operation supervision and engineering	(357)	(28)	(36)	-	-	(336)	31,611	(12)	(766)	(880)	(2,487)	(1,632)		
8051	Other Gas Purchases / Gas Cost Adjustments	1,162,820	1,590,104	5,015,091	9,382,613	12,974,003	12,241,603	12,663,743	4,789,926	1,691,271	1,010,734	814,974	735,807		
8052	PGA for Commercial	1,217,789	1,595,074	2,247,481	4,050,176	5,712,125	5,405,478	5,498,970	2,281,650	1,026,587	770,086	725,982	687,354		
8053	PGA for Industrial	229,515	335,307	377,067	615,344	852,101	793,824	1,013,082	416,472	308,588	278,356	172,150	219,343		
8054	PGA for Public Authority	228,400	291,946	493,393	884,578	1,227,904	1,183,825	1,193,064	500,918	259,799	158,244	132,852	122,285		
8058	Unbilled PGA Costs	(69,767)	1,137,470	3,432,077	1,991,252	1,588,033	670,318	(4,070,156)	(3,421,339)	(1,284,237)	(235,913)	(219,304)	(2,498)		
8059	PGA Offset to Unrecovered Gas Cost	(3,113,557)	(3,580,739)	(5,545,397)	(12,296,316)	(14,090,546)	(16,350,948)	(16,484,691)	(9,889,926)	(4,545,617)	(2,829,673)	(2,925,871)	(2,669,153)		
8060	Exchange Gas	(1,863,969)	(1,589,882)	(1,722,898)	974,414	1,203,819	2,809,868	1,550,074	1,885,424	(1,053,898)	(987,005)	(1,232,655)	(797,044)		
8081	Gas Withdrawn From Storage - Debit	-	-	12,246	2,051,147	4,227,018	7,015,367	7,184,512	3,885,976	2,868	-	-	3,676		
8082	Gas Delivered to Storage	(3,169,091)	(3,420,985)	(3,334,750)	(59,399)	(38,968)	(4,109)	(13,314)	(19,578)	(2,019,077)	(2,027,059)	(2,178,815)	(2,188,765)		
8120	Gas Used for Other Utility Operations	325	(719)	(1,213)	(1,774)	(1,766)	(5,978)	(2,018)	(1,413)	(679)	1,025	143	84		
8580	Transmission and compression of gas by others	1,610,491	1,582,764	2,044,106	2,308,849	2,397,711	2,445,526	2,285,887	2,394,376	2,018,731	1,642,981	1,586,811	1,568,770		
	Total Purchased Gas Cost	2,759,081	4,949,183	#####	18,922,189	#####	#####	#####	4,576,215	2,001,329	#####	1,626,797	1,762,375		
		2,759,081	4,949,183	11,583,898	18,922,189	22,352,401	20,289,070	18,298,697	4,676,215	2,001,329	1,982,531	1,626,797	1,762,375		

ENERGY CORP., KENTUCKY/MID STATES DIVISION
 BY JURISDICTION
 BY FERC ACCOUNT

Description	Base	Base	Base	Base	Base	Base	Base Period	Forecasted	Forecasted	Forecasted	Test	Test
	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted	12-months					
	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Total	Mar-16	Apr-16	May-16	Jun-16	Jul-16
Intercompany Gas Well-head Purchases	-	-	-	139,714	85,208	389,932	1,207,338	209,694	455,848	-	-	-
Natural gas field line purchases	6,575	3,927	5,305	4,775	4,711	3,287	73,124	8,216	13,507	10,286	8,176	5,837
Natural Gas City Gate Purchases	3,843,168	3,805,126	4,884,527	4,533,023	3,647,078	2,282,789	48,444,811	3,803,196	2,431,722	9,774,997	4,473,767	4,984,370
Transmission-Operation supervision and engineering	(207)	(14)	(21)	-	-	(221)	26,371	23,347	(17)	(1,339)	(939)	(2,611)
Other Gas Purchases / Gas Cost Adjustments	666,728	864,161	2,875,148	6,250,587	7,694,860	8,049,972	48,107,712	9,353,029	7,076,276	2,958,570	1,077,682	855,625
PGA for Commercial	704,302	868,862	1,288,479	2,698,180	3,387,764	3,554,596	23,500,812	4,061,361	3,385,511	1,794,812	821,095	762,193
PGA for Industrial	132,739	182,227	216,172	409,935	505,367	522,012	4,376,451	748,237	616,284	539,453	298,793	180,737
PGA for Public Authority	132,094	158,661	282,862	589,295	728,249	778,473	5,036,797	881,158	740,019	454,163	168,726	139,479
Unbilled PGA Costs	(40,349)	618,172	1,967,607	1,326,549	941,835	440,795	(3,978,837)	(3,006,085)	(5,054,429)	(2,245,019)	(251,539)	(230,243)
PGA Offset to Unrecovered Gas Cost	(1,800,710)	(1,945,995)	(3,179,172)	(8,191,562)	(8,358,863)	(10,752,242)	(73,591,575)	(12,175,057)	(14,610,631)	(7,946,351)	(3,017,104)	(3,071,813)
Exchange Gas	(1,135,852)	(864,040)	(987,736)	649,143	713,864	1,847,745	(631,878)	1,144,835	2,460,372	(1,842,003)	(1,052,382)	(1,294,140)
Gas Withdrawn From Storage - Debit	-	-	7,021	1,366,450	2,506,972	4,613,245	19,570,719	5,306,247	5,740,848	5,014	-	-
Gas Delivered to Storage	(1,844,395)	(1,859,175)	(1,911,809)	(39,571)	(23,111)	(2,702)	(14,127,370)	(9,833)	(28,820)	(3,529,618)	(2,161,327)	(2,287,494)
Gas Used for Other Utility Operations	188	(391)	(695)	(1,182)	(1,047)	(3,931)	(9,914)	(1,489)	(2,087)	(1,186)	1,093	150
Transmission and compression of gas by others	931,420	860,172	1,171,885	1,538,128	1,422,042	1,608,157	19,029,259	1,688,356	3,537,271	3,529,014	1,761,808	1,665,751
Total Purchased Gas Cost	1,595,701	2,689,692	6,629,573	#####	#####	#####	77,033,021	#####	6,780,555	3,498,592	2,113,850	1,707,941
	1,595,701	2,689,692	6,629,573	11,273,365	13,256,826	13,341,917	77,033,021	12,036,211	6,780,555	3,498,592	2,113,850	1,707,941

ENERGY CORP., KENTUCKY/MID STATES DIVISION
BY JURISDICTION
BY FERC ACCOUNT

Description	Test Forecasted Aug-16	Test Forecasted Sep-16	Test Forecasted Oct-16	Test Forecasted Nov-16	Test Forecasted Dec-16	Test Forecasted Jan-17	Test Forecasted Feb-17	Test Forecasted Mar-17	Test Forecasted Apr-17	Test Forecasted May-17	Projection 12-months Total
Intercompany Gas Well-head Purchases	-	-	-	-	146,919	89,604	396,305	213,051	463,205	-	1,309,084
Natural gas field line purchases	5,505	7,191	4,298	5,579	5,021	4,954	3,351	9,364	13,725	10,889	81,990
Natural Gas City Gate Purchases	4,042,076	4,203,489	4,164,916	5,146,802	4,766,798	3,835,235	2,330,280	3,884,090	2,470,864	10,347,909	54,630,686
Transmission-Operation supervision and engineering	(1,609)	(226)	(16)	(22)	-	-	(225)	23,721	(17)	(1,417)	18,638
Other Gas Purchases / Gas Cost Adjustments	725,666	729,239	945,871	3,023,340	6,572,939	8,091,637	8,181,533	9,502,782	7,190,471	3,129,854	50,028,639
PGA for Commercial	677,880	770,337	948,827	1,354,891	2,837,329	3,562,543	3,612,688	4,126,388	3,440,146	1,899,794	24,814,110
PGA for Industrial	216,320	145,184	199,457	227,314	431,076	531,439	530,543	760,217	825,183	571,070	4,715,343
PGA for Public Authority	120,600	144,479	173,663	287,441	619,888	765,820	791,196	895,267	751,961	480,781	5,349,099
Unbilled PGA Costs	(2,464)	(44,132)	676,622	2,069,022	1,394,961	990,426	447,999	(3,054,216)	(5,135,996)	(2,376,599)	(5,516,159)
PGA Offset to Unrecovered Gas Cost	(2,652,088)	(1,969,542)	(2,129,997)	(3,343,034)	(8,614,118)	(8,788,003)	(10,927,966)	(12,369,994)	(14,848,414)	(8,412,086)	(80,142,158)
Exchange Gas	(786,058)	(1,242,348)	(945,739)	(1,038,646)	682,621	750,798	1,877,942	1,163,165	2,500,077	(1,949,963)	(1,334,872)
Gas Withdrawn From Storage - Debit	3,625	-	-	7,383	1,438,920	2,836,310	4,688,639	5,391,206	5,833,493	5,308	20,002,883
Gas Delivered to Storage	(2,158,697)	(2,017,323)	(2,034,967)	(2,010,349)	(41,612)	(24,304)	(2,746)	(9,991)	(28,387)	(3,736,489)	(16,614,585)
Gas Used for Other Utility Operations	63	205	(428)	(731)	(1,243)	(1,101)	(3,995)	(1,513)	(2,121)	(1,256)	(10,856)
Transmission and compression of gas by others	1,647,148	1,018,748	941,504	1,232,286	1,617,451	1,495,406	1,634,439	1,715,389	3,584,354	3,735,650	21,950,135
Total Purchased Gas Cost	1,738,085	1,745,312	2,944,013	6,971,277	11,854,748	13,940,703	13,559,954	12,228,925	8,889,855	3,703,645	79,378,177
	1,738,085	1,745,312	2,944,013	6,971,277	11,854,748	13,940,703	13,559,954	12,228,925	8,889,855	3,703,645	

**Case No. 2016-00053
WKG Storage, Inc.
AG RFI Set No. 1
Question No. 1-02
Page 1 of 1**

REQUEST:

Please provide citations as to when and how current rates were set.

RESPONSE:

WKG Storage, Inc. adopted the then-effective tariff rates of Kentucky Pipeline and Storage, Inc. when it purchased the assets. Those tariff rates were originally established in 1991.

Respondent: Joe Christian

REQUEST:

Please describe in detail whether current rates were set based on a revenue requirement determination or some other method.

RESPONSE:

The current rates that WKG Storage, Inc. charges Atmos Energy Corporation are discounted rates based on an arms-length negotiation between WKG Storage, Inc. and Atmos Energy Corporation in 2004. Those rates represent a discount from the effective maximum tariff rates. The tariff rates were set by the Commission in 1991 in a Kentucky Pipeline and Storage Company, Inc. proceeding and then adopted by WKG Storage, Inc. in 2001. WKG Storage, Inc. is not aware of what method was used to set the rates in 1991.

Respondent: Joe Christian

**Case No. 2016-00053
WKG Storage, Inc.
AG RFI Set No. 1
Question No. 1-04
Page 1 of 1**

REQUEST:

Refer to the Company's Notice of Proposed Rate Adjustment contained in its February 29, 2016 Revised Application filing. Please describe what costs have increased and the reasons for the increases that would justify an 18.0666% increase in storage and injection charges and a 77.0000% increase in reservation charges.

RESPONSE:

As noted in the Company's responses to AG DR Nos. 1-02 and 1-03, WKG Storage, Inc. adopted the tariffs that were established by Kentucky Pipeline and Storage, Inc. in 1991; therefore, the requested analysis cannot be completed. Please note that WKG Storage, Inc. has complied with the requirements of the Alternative Rate Filing procedures outlined in ARF Form 1 to support the rates proposed (See response to ARF Form 1 Question 8 for rate comparison).

Respondent: Joe Christian

REQUEST:

Please explain in detail the process WKG Storage Inc. took in purchasing the storage facilities it uses today. For instance, were any other entities under the control of Atmos Energy involved, such as Atmos Pipeline and Storage?

RESPONSE:

WKG Storage negotiated the purchase of the assets of Kentucky Public Service and Storage Company, Inc. in 2001. While WKG Storage, Inc. is a subsidiary of Atmos Pipeline and Storage, LLC, which is a subsidiary of Atmos Energy Holdings, Inc., only WKG Storage, Inc. was involved in the purchase of the facilities.

Respondent: Joe Christian

Case No. 2016-00053
WKG Storage, Inc.
AG RFI Set No. 1
Question No. 1-06
Page 1 of 1

REQUEST:

Please provide the facts and circumstances surrounding WKG Storage Inc.'s purchase of Kentucky Pipeline and Storage Company, Inc., including any purchase agreements or documents that reflect the relationship between Kentucky Pipeline and Storage and all customers it had before the purchase. Further, please provide the process WKG Storage took after that purchase with those, or any new customers.

RESPONSE:

Please see Attachment 1 and Attachment 2, which are the Purchase and Sale Agreement and Bill of Sale relating to WKG Storage, Inc.'s purchase of Kentucky Pipeline and Storage Company, Inc. It is WKG Storage, Inc.'s understanding that Kentucky Public Service and Storage Company, Inc.'s only customers at the time of purchase were Orbit Gas Company, WKG Storage, Inc., and Innovative Gas Services, Inc.

ATTACHMENTS:

ATTACHMENT 1 - WKG Storage, Inc., AG_1-06_Att1 - Purchase and Sale Agreement.pdf, 52 Pages.

ATTACHMENT 2 - WKG Storage, Inc., AG_1-06_Att2 - Bill of Sale.pdf, 10 Pages.

Respondent: Joe Christian

PURCHASE AND SALE AGREEMENT

by and among

WKG STORAGE, INC.,

and

KENTUCKY PIPELINE AND STORAGE COMPANY, INC.

TABLE OF CONTENTS

	Page
ARTICLE 1	
PURCHASE AND SALE	
1.1 Defined Terms	1
ARTICLE 2	
PURCHASE AND SALE	
2.1 The Transaction	7
2.2 Purchase Price.....	7
2.3 Excluded Assets.....	8
2.4 Closing.....	8
2.5 Deliveries at Closing	8
2.6 Assumed Liabilities	8
2.7 Retained Liabilities.....	9
2.8 Other Agreements.....	9
2.9 General	9
ARTICLE 3	
REPRESENTATIONS AND WARRANTIES OF SELLER	
3.1 Organization.....	10
3.2 Authorizations and Approvals	10
3.3 Absence of Conflicts	10
3.4 Contracts and Commitments.....	11
3.5 Absence of Changes.....	11
3.6 Litigation.....	11
3.7 Compliance with Law	11
3.8 Permits.....	12
3.9 Title to the Assets.....	12
3.10 Brokers Fees.....	12
3.11 Conditions of Assets	12
3.12 Absence of Liabilities	12
3.13 Contracts.....	13
3.14 Taxes	13
3.15 Environmental Matters	13
3.16 Intellectual Property	13
3.17 State Regulatory Matters	14
3.18 Filings.....	14

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF BUYER

4.1	Corporate Organization	14
4.2	Qualification	14
4.3	Authorizations; Approvals	14
4.4	Absence of Conflicts	15
4.5	Brokers' Fees	15
4.6	Financing	15
4.7	Litigation.....	15

ARTICLE 5
COVENANTS OF SELLER AND BUYER

5.1	Access	15
5.2	Conduct of Business Pending the Closing	16
5.3	Consents.....	16
5.4	Commercially Reasonable Efforts.....	16
5.5	Delivery and Retention of Records.....	16
5.6	New Commitments.....	17
5.7	Transfer Taxes.....	17
5.8	Schedule of Easements and Interests.....	17

ARTICLE 6
INDEPENDENT INVESTIGATION AND DISCLAIMER

6.1	Independent Investigation and Disclaimer	17
-----	--	----

ARTICLE 7
CONDITIONS TO CLOSING

7.1	Conditions Precedent to Obligations of Each Party.....	18
7.2	Additional Conditions Precedent to Obligations of Buyer	18
7.3	Additional Conditions Precedent to Obligations of Seller	19

ARTICLE 8
INDEMNIFICATION AND ASSUMPTION

8.1	By Seller.....	19
8.2	By Buyer	20
8.3	Express Negligence Rule.....	20
8.4	Exceptions and Limitations	20
8.5	Notice of Claim.....	22
8.6	Third-Party Claims	22
8.7	Subrogation.....	23
8.8	Exclusive Remedies.....	23

ARTICLE 9
TERMINATION

9.1	Termination	23
9.2	Effect of Termination	24

ARTICLE 10
TAX MATTERS

10.1	Asset Allocation	24
10.2	Apportionment.....	25
10.3	Access to Information.....	25
10.4	Clearance Certificates.....	25

ARTICLE 11
MISCELLANEOUS

11.1	Expenses	25
11.2	Waiver and Amendment.....	25
11.3	Public Statement.....	26
11.4	Assignment	26
11.5	Notices	26
11.6	Governing Law	27
11.7	Further Assurances.....	27
11.8	Severability.....	27
11.9	Counterparts	27
11.10	Headings.....	27
11.11	Entire Agreement; No Third Party Beneficiaries.....	27
11.12	Dispute Resolution	27

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is entered into effective as of the 2nd day of July, 2001 by and among WKG Storage, Inc., a Delaware corporation ("Buyer"), and Kentucky Pipeline and Storage Company, Inc., a Delaware corporation ("Seller"). Seller, on one hand, and Buyer on the other hand, are referred to collectively herein as "Parties" and individually as a "Party". Capitalized terms used herein shall have the meanings ascribed to them in Article I, unless otherwise provided.

RECITALS

WHEREAS, Seller owns the Assets and operates the Business located in Hopkins County, Kentucky;

WHEREAS, Seller desires to sell to Buyer, and Buyer desires to buy from Seller, the Assets pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual representations, warranties and covenants herein contained the Parties hereby agree as follows:

ARTICLE 1

DEFINITIONS

1.1 Defined Terms. Capitalized terms not otherwise defined herein or in the recitals hereof shall have the meanings ascribed to them in this Section 1. 1.

"*Affiliate*" shall mean with respect to any Person, any Person which directly or indirectly, controls, is controlled by, or is under a common control with such Person. The term "control" (including the terms "controlled by" and "under common control with") as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

"*Assets*" shall mean all of the assets, property and interests of every type and description, real, personal or mixed, tangible and intangible, of Seller and relating primarily to the Business as engaged in by Seller, including the following (except to the extent included among the Excluded Assets):

(a) the Real Property described in Schedule 3.9, and all buildings, structures and other improvements, fixtures and fittings located on such Real Property, and all Easements, whether or not of record, appurtenances and other interests owned or held by Seller and necessary for or relating to the Business (including all gas pipes and pipelines, and all facilities used for storing and delivering natural gas);

(b) all inventories of natural gas, including, but not limited to, all line pack, and all supplies, materials and critical spares held by Seller for use in connection with the Business and,

excluding natural gas of third parties, located on, in storage for, or in transit to the Real Property on the Closing Date;

(c) personal property, listed on Schedule 1.1(c) and all machinery, equipment, tools, vehicles, furniture and other tangible personal property used in connection with the Business located in Hopkins County, Kentucky; and all warranties, guarantees, and service and replacement programs of manufacturers, service providers or other vendors relating thereto, in each case to the extent that the same are transferable;

(d) all Contracts relating to the Business, including, but not limited to, oil, gas and other mineral leases;

(e) the franchises, ordinances or similar agreements with respect to Seller's authority to store natural gas and all other licenses, permits and authorizations held by Seller and relating to the Business, in each case to the extent the same are assignable;

(f) originals or copies of all Records, books, operating records, operating, safety and maintenance manuals, engineering design plans, blueprints and as-built plans, specifications, procedures and similar items of Seller relating to the Assets, including all books of account, customer lists, billing records and other customer correspondence relating to the Business, all regulatory filings and all other books and records relating to the rates and services provided by Seller in connection with the operation of the Business; and

(g) all rights to insurance and condemnation proceeds outstanding on the Closing Date to the extent relating to the damage, destruction, taking or other impairment of the Assets which damage, destruction, taking or other impairment occurs on or prior to the Closing, but only to the extent of any proceeds remaining after any repair or replacement of the affected Assets;

(h) all well records at any location including, if any, logs cores, core analyses, drilling data including horizontal well surveys, completion reports, flow-test data, material balance and inventory verification data/reports, geologic maps and geologic and engineering reports, as well as leak surveys, pipeline pressure tests and MAOP certifications and any environmental audits and/or filings whether Federal, State or Local; and

(i) all land files and records at any location, including, if any, leases and storage agreements, deeds, rights-of-way, surface-use agreements, licenses, permits, road, rail and river crossing permits, title reports, title and opinions and curative instruments, correspondence relating thereto, and evidence of payment of annual rents and royalties.

"Business" shall mean, collectively:

(a) the regulated gas storage and pipeline business conducted by Seller within the State of Kentucky;

(b) the provision of related services and products and the engagement in related activities by Seller, in each case within the State of Kentucky.

"Assumed Liabilities" shall have the meaning given such term in Section 2.6.

"Buyer Indemnified Liabilities" shall have the meaning given such term in Section 8.1.

"Buyer Indemnified Parties" shall have the meaning given such term in Section 8.1.

"Buyer Material Adverse Effect" shall mean any material and adverse effect on the assets, liabilities, financial condition, business, operations, affairs or circumstances of Buyer.

"Buyer Party" shall have the meaning given such term in Section 5.1.

"Claim" shall mean all demands, claims, actions, investigations, causes of action, proceedings and arbitrations, whether or not ultimately determined to be valid.

"Claim Notice" shall have the meaning given such term in Section 8.4.

"Closing" shall have the meaning given such term in Section 2.4.

"Closing Date" shall have the meaning given such term in Section 2.4.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Consent" shall mean any approval, consent, ratification, waiver, or other authorization from any Person.

"Confidentiality Agreement" shall have the meaning given such term in Section 5.1.

"Contracts" shall mean any agreement, contract, document, instrument, obligation, promise or undertaking (whether written or oral) that is legally binding, including Easements.

"Customary Post-Closing Consents" shall mean consents and approvals from Governmental Authorities that are customarily obtained after closing in connection with a sale of assets similar to the Assets.

"Easements" shall mean all permits, licenses and recorded easements, servitudes and rights of way.

"Effective Time" shall be 12:00 a.m. local time in Hopkins County, Kentucky on the Closing Date.

"Election Period" shall have the meaning given such term in Section 8.4.

"Encumbrance" shall mean any lien, pledge, condemnation proceeding, claim, restriction, security interest, mortgage or similar encumbrance.

"*Environmental Law*" shall mean any Order or Law, and any judicial and administrative interpretation thereof and related policies, guidelines and standards, relating to pollution or protection of the environment and natural resources, including those relating to (a) emissions, discharges, releases or threatened releases of Hazardous Material into the environment (including ambient air, surface water, groundwater or land), and (b) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Material, each as in effect as of the date of determination.

"*Environmental Liability*" shall mean any liability, responsibility or obligation arising out of or relating to:

(a) the presence of any Hazardous Material in the fixtures, structures, soils, groundwater, surface water or air on, under or about or emanating from the assets and properties currently or formerly used, operated, owned, leased, controlled, possessed, occupied or maintained by a Person, and any such Hazardous Material emanating to adjoining or other properties;

(b) the use, generation, production, manufacture, treatment, storage, disposal, release, threatened release, discharge, spillage, loss, seepage or filtration of Hazardous Materials by a Person or its employees, agents or contractors from, on, under or about the assets or properties currently or formerly used, operated, owned, leased, controlled, possessed, occupied or maintained by such Person or the presence therein or thereunder of any underground or above-ground tanks for the storage of fuel oil, gasoline and/or other petroleum products or by-products or other Hazardous Material;

(c) the violation or noncompliance or alleged violation or noncompliance by a Person or its employees, agents or contractors of any Environmental Law arising from or related to its or their conduct, actions or operations or the former or current use, operation, ownership, lease, possession, control, occupancy, maintenance or condition of any of such Person's former or current assets or properties;

(d) the failure by a Person or its employees, agents, or contractors to have obtained or maintained in effect any certificate, permit or authorization required by any Environmental Law as a result of its or their conduct, actions or operations or the use, operation, ownership, lease, control, possession, occupancy, maintenance or condition of such Person's assets or properties;

(e) any and all Proceedings arising out of any of the above-described matters, including Proceedings by Governmental Authorities for enforcement, cleanup, removal, treatment, response, remedial or other actions or damages and Proceedings by any third Person seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief; and

(f) any and all remedial work and other corrective action (including investigation or monitoring of site conditions, or any clean-up, containment, restoration or removal) taken by, or the costs of which are imposed upon, a Person arising from any of the above-described matters.

"*Excluded Assets*" shall have the meaning given such term in Section 2.3.

"*Governmental Authority*" shall mean the United States and any state, county, city or other political subdivision, agency, court or instrumentality.

"*Hazardous Materials*" shall mean any waste or other chemical, material or substance that is listed, defined, designated, or classified as, or otherwise determined to be, hazardous, radioactive, toxic, or a pollutant or a contaminant, or words of similar import, under or pursuant to any Environmental Law, including any admixture or solution thereof, and specifically including oil, natural gas, petroleum and all derivatives thereof or synthetic substitutes therefor, asbestos or asbestos-containing materials, any flammable substances or explosives, any radioactive materials, any toxic wastes of substances, urea formaldehyde foam insulation, toluene or polychlorinated biphenyls.

"*Indemnified Party*" shall have the meaning given such term in Section 8.4.

"*Indemnifying Parties*" shall have the meaning given such term in Section 8.4.

"*Laws*" shall mean any constitution, statute, code, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any applicable Governmental Authority.

"*Loss*" shall mean all debts, liabilities, obligations, losses, damages, costs and expenses (including, without limitation, interest, including prejudgment interest in any litigated matter), penalties, fines, court costs and reasonable attorneys' fees and expenses, judgments, settlements and assessments.

"*Order*" shall mean any award, decision, injunction, judgment, order (including any rule-making order), writ, decree, ruling, subpoena, or verdict entered, issued, made, or rendered by any court, administrative agency, other Governmental Authority, or by any arbitrator, each of which possesses competent jurisdiction.

"*Parties*" shall have the meaning given in the introductory paragraph of this Agreement.

"*Permits*" shall have the meaning given such term in Section 3.8.

"*Permitted Encumbrance*" shall mean any of the following: (i) any liens for Taxes and assessments not yet delinquent or, if delinquent, that are being contested in good faith in the ordinary course of business; (ii) any obligations or duties reserved to or vested in any municipality or other Governmental Authority to regulate any of the Assets in any manner including all applicable Laws; (iii) the terms and conditions of all leases, servitudes, contracts for sale, purchase, exchange, refining or processing of hydrocarbons, operating agreements, construction agreements, construction and operation agreements, partnership agreements, processing agreements, conditioning agreements, treating agreements, plant agreements, pipeline, gathering, exchange and transportation agreements, disposal agreements, permits, licenses and other agreements set forth in Schedules 3.4 and 3.9; (iv) any required third party consents to assignment and similar agreements and obligations with respect to which prior to Closing (A) waivers or consents have been obtained from the appropriate person; (B) the applicable period of time for asserting such rights has expired without any exercise of such rights, or (C) arrangements reasonably satisfactory to Buyer have been made by the Parties to allow

Buyer to receive substantially the same economic benefits as if all such waivers and consents had been obtained; (v) easements, rights of way, servitudes, permits, surface leases and other rights with respect to surface obligations, pipelines, conditions, covenants or other restrictions, so long as individually or in the aggregate they are not such as are reasonably likely to have a material adverse effect on the use, ownership or operation of the Assets, taken as a whole; and (vi) materialmen's, mechanics', repairmen's, and other similar liens or charges arising in the ordinary course of business incidental to construction, maintenance or operation of the Assets (A) if they have not been filed pursuant to law, (B) if filed, they have not yet become due and payable or (C) if their validity is being contested in good faith in the ordinary course of business by appropriate action.

"*Person*" shall mean any natural person, firm, partnership, association, corporation, limited liability company, trust, entity, public body or government.

"*Post-Closing Periods*" means any period that is not a Pre-Closing Period.

"*Pre-Closing Periods*" means any taxable year or period that ends on or before the Effective Time and with respect to any taxable year or period beginning before and ending after the Effective Time, the portion of such taxable year or period ending on and including the Effective Time.

"*Proceeding*" shall mean any claim, action, arbitration, hearing, noticed investigation, litigation, suit or other proceeding commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Authority or arbitrator.

"*Purchase Price*" shall have the meaning given such term in Section 2.2.

"*Real Property*" shall mean all real property owned or leased by Seller in the operation of the Business, together with all interests in real property (including Easements) used or held for use by Seller in the operation of the Business.

"*Records*" shall have the meaning given such term in Section 5.5.

"*Retained Liabilities*" shall have the meaning given such term in Section 2.7.

"*Seller Indemnified Liabilities*" shall have the meaning given such term in Section 8.2.

"*Seller Indemnified Parties*" shall have the meaning given such term in Section 8.2.

"*Seller Material Adverse Effect*" shall mean any material and adverse effect on the use, ownership or operation of the Assets, taken as a whole, other than conditions affecting the industry as a whole and other than the transactions contemplated by this Agreement.

"*Tax*" or "*Taxes*" shall mean all taxes, however denominated, including any interest penalties or other additions to tax that may become payable in respect thereof, imposed by any federal, territorial, state, local or foreign government or any agency or political subdivision of any such government, which taxes shall include, without limiting the generality of the foregoing, all income or profits taxes (including, but not limited to, federal income taxes and state income taxes), real property gains taxes, payroll and employee withholding taxes, unemployment insurance taxes, social

security taxes, sales and use taxes, ad valorem taxes, excise taxes, franchise taxes, gross receipts taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, workers' compensation, and other obligations of the same or of a similar nature.

"*Tax Return*" shall mean any return (including any information return), report, statement, schedule, notice, form, or other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Authority in connection with the determination, assessment, collection, or payment of any Tax or in connection with the administration, implementation, or enforcement of or compliance with any Law relating to any Tax.

"*Third-Party Claim*" shall mean a Claim asserted against an Indemnified Party by a Person that is not a Party or an Affiliate of a Party that could give rise to a right of indemnification under this Agreement.

ARTICLE 2

PURCHASE AND SALE

2.1 *The Transaction.* Subject to and in accordance with the terms and conditions of this Agreement, on the Closing Date, Buyer agrees to purchase from Seller, the Assets for the Purchase Price. Subject to and in accordance with the terms and conditions of this Agreement, in exchange for the Purchase Price, Seller will sell to Buyer all of Seller's right, title, and interest in and to the Assets.

2.2 *Purchase Price.* Subject to the terms and conditions of this Agreement, Buyer agrees to pay to Seller at the Closing an aggregate amount of \$13,000,000.00 (the "Purchase Price"). The Purchase Price shall be:

(a) increased by any capital expenditure incurred by Seller that relates to the Assets from and after 12:00 a.m., Central Standard time on the date of this Agreement and that are incurred prior to the Effective Time without creating any indebtedness or obligation on the part of Seller (other than borrowings which are repaid at or prior to the Effective Time); provided that any such individual non-emergency capital expenditure must have received written approval of Buyer, which approval shall not be unreasonably withheld, in order for such capital expenditure to be included in such adjustment;

(b) decreased by the estimated 2001 property taxes related to the period prior to the Effective Time; and

(c) decreased by any storage fees, excluding fuel retention costs, paid by Buyer to Seller from March 1, 2001, through July 31, 2001.

The Purchase Price shall be payable by Buyer by wire transfer or delivery of other immediately available funds to the account of Seller per written instructions delivered by Seller to Buyer.

2.3 *Excluded Assets.* The Assets do not include the following (the "Excluded Assets"):

- (a) all cash on hand, on deposit or in transit and arising out of the operation of Seller or the Business prior to the Effective Time;
- (b) causes of action and third-party indemnities, policies of insurance, fidelity, surety or similar bonds and the coverage afforded thereby;
- (c) any Tax refund related to the Assets or Seller's Business for Pre-Closing Periods, and
- (d) any notes or accounts receivable of Seller related to the Assets or Seller's Business prior to the Effective Time.

2.4 *Closing.* The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at a mutually agreeable place in Owensboro, Kentucky, or at such other place as may be mutually agreed to, commencing at 10:00 a.m., local time, as soon as reasonably practicable after all conditions set forth in Article 7 have been satisfied or waived by the appropriate party, or such other date as the Parties shall agree in writing, and shall be effective as of the Effective Time (the "Closing Date"). The Parties agree to use their best efforts to cause the Closing to occur within ten (10) days of the date that all such conditions have been satisfied or waived.

2.5 *Deliveries at Closing.* At the Closing (i) Seller and Buyer or their assigns will execute and acknowledge an Assignment and Bill of Sale substantially in the form attached hereto as Exhibit "A"; and (ii) Buyer will deliver to Seller the Purchase Price; and (iii) Seller shall deliver to Buyer the Assets.

2.6 *Assumed Liabilities.* In further consideration for the sale of the Assets, at the Closing, Buyer will assume and agree to pay, perform and discharge when due, all liabilities and obligations relating to or arising from the performance of (i) the Contracts listed on Schedule 3.4, (ii) the Contracts that have been entered into in the ordinary course of the Business that are not required to be listed on Schedule 3.4 by the express terms of Section 3.4 or other Contracts inadvertently omitted from Schedule 3.4 entered into in the ordinary course of the business to the extent that the performance of such contract is reflected in the financial performance of the Business as of the date hereof, (iii) the Contracts that are entered into in the ordinary course of the Business after the date hereof in accordance with this Agreement and (iv) franchises, licenses, permits, authorizations, ordinances and similar agreements or held in the ordinary course of the Business to the extent included among the Assets (except that Buyer shall not assume any liabilities or obligations for any breach, default or violation by, or payment obligations of, Seller under any such Contract, franchise, license, permit, ordinance or similar agreement occurring or arising or accruing on or prior to the Effective Date).

The liabilities, responsibilities and obligations to be assumed by Buyer pursuant to this Section 2.6 are herein collectively referred to as the "Assumed Liabilities." Notwithstanding anything in this Section 2.6 to the contrary, "Assumed Liabilities" shall not include any liabilities, responsibilities or obligations expressly stated to be Retained Liabilities pursuant to Section 2.7.

2.7 *Retained Liabilities.* Buyer shall not assume and at the Closing Seller shall retain, be responsible for and pay, perform and discharge when due, all of the liabilities and obligations relating to or arising from the following (collectively referred to herein as the "Retained Liabilities"):

(a) any indebtedness for money borrowed by Seller (including items due to its Affiliates);

(b) Taxes of Seller or any of its Affiliates;

(c) Excluded Assets;

(d) employees;

(e) all Proceedings, involving Seller, the Assets or the Business based on conduct (including Seller's performance under any Contract included among the Assets), action, facts, circumstances or conditions existing, arising or occurring on or before the Closing Date;

(f) Environmental Liabilities with respect to any action, fact, circumstance or condition to the extent existing, arising or occurring on or before the Closing Date, insofar as such Environmental Liabilities accrue directly to Seller, it being recognized that Environmental Liabilities accruing directly to Buyer shall be the responsibility of Buyer, subject to the indemnification provisions of this Agreement;

(g) any obligation or liability owing to Seller or any of its Affiliates; and

(h) all other liabilities, obligations, or accounts payable whether known or unknown, accrued or contingent, of Seller relating to or arising from the ownership or use of the Assets or the operation or conduct of the Business by Seller (or its predecessors in interest) on or before the Closing Date that is not an Assumed Liability.

2.8 *Other Agreements.* Seller and Buyer shall execute, acknowledge and deliver such other instruments and take such actions as may be necessary to carry out their respective obligations under this Agreement.

2.9 *General.* All monies, proceeds, receipts, credits and income attributable to the Assets for the period of time subsequent to the Effective Time shall be, subject to Closing, the sole property and entitlement of Buyer and, to the extent received by Seller, Seller shall fully disclose, account for and transmit same to Buyer promptly. After the Closing Date, Buyer shall be responsible for all ordinary operating expenses relating to the Assets and attributable to periods of time subsequent to the Effective Time and to the extent any such expenses have been or are paid by Seller, Buyer shall promptly reimburse Seller for and hold Seller harmless from and against the same.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows:

3.1 *Organization.* Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, with full corporate power and authority to conduct the Business as it is now being conducted, to own or use the Assets, to perform its obligations under all Contracts to which it is a party, and to execute and deliver this Agreement. Seller is duly qualified to do business as a foreign corporation and is in good standing in the Commonwealth of Kentucky and in each other state in which the failure to be so qualified or in good standing would have a Seller Material Adverse Effect.

3.2 *Authorizations and Approvals.* The execution and delivery by Seller of this Agreement and the performance of its obligations hereunder have been duly and validly authorized by all requisite corporate action. This Agreement has been duly executed and delivered by Seller, and constitutes the legal, valid and binding obligation of Seller enforceable against it in accordance with its terms except insofar as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity regardless of whether such principles are considered in a proceeding at law or in equity. Except as described in Section 7.1(c), Seller does not need to give any notice to, make any filing or register with, or obtain any Consent or Order of any third party or Governmental Authority to consummate the transactions contemplated by this Agreement.

3.3 *Absence of Conflicts.* Neither the execution and delivery of this Agreement by Seller, nor the consummation of the transactions contemplated hereby will (assuming receipt of all required Consents and Orders): (a) violate or breach the terms of, cause a default under, conflict with, result in acceleration of, create in any party the right to accelerate, terminate, modify or cancel or require any notice under (i) any applicable Law, (ii) the charter or bylaws of Seller or (iii) any contract, agreement, lease, license or other arrangement to which Seller is a party or by which any of its properties, including the Assets, are bound; (b) result in the creation or imposition of any Encumbrance (other than a Permitted Encumbrance) on the Assets or any interest in the Assets; (c) result in the cancellation, forfeiture, revocation, suspension or adverse modification of any existing Consent or Order of any Governmental Authority having jurisdiction over Seller or the Assets; or (d) with the passage of time or the giving of notice or the taking of any action by any third party have any of the effects set forth in clauses (a), (b) or (c) of this Section.

3.4 *Contracts and Commitments.* Schedule 3.4 lists all material Contracts (including, without limitation, any storage and transportation contract or agreement and other contracts or agreements providing for receipt or payment, contingent or otherwise, of \$50,000 or more annually, unless any such other contract or agreement is terminable with notice of 90 days or less without a penalty) in either case relating to the continued ownership and operation of the Assets, and each such Contract is in full force and effect. Seller has in all respects performed all material obligations required to be performed by it to date under the Contracts, and is not in default under any material obligation of any such Contracts. To the knowledge of Seller, no other party to any Contract is in default thereunder. Seller has not assigned to any other person any of its rights under the Contracts. Seller has not waived any of its material rights under the Contracts. Except as set forth on Schedule 3.4, there are currently no gas or transportation imbalances under any of the Contracts (other than the imbalances occurring in the ordinary course of business), and there are currently no arrangements to sell, store, transport, or deliver hydrocarbons at some future time without then or thereafter

receiving full payment therefor, or to make payment at some future time for hydrocarbons or the transportation or the delivery of hydrocarbons previously purchased or transported.

3.5 *Absence of Changes.* Except as set forth in Schedule 3.5, since March 1, 2001:

- (a) there has not been any Seller Material Adverse Effect;
- (b) to the knowledge of Seller the Assets have been operated and maintained in a prudent manner, in the ordinary course of the Business and consistent with past practices;
- (c) there has not been any material damage, destruction or loss to any material portion of the Assets, whether covered by insurance or not; and
- (d) there has been no actual, pending, or to the knowledge of Seller, threatened change affecting the Assets with any customers, licensors, suppliers, distributors or sales representatives, except such as has not had, and is not reasonably expected to have, a Seller Material Adverse Effect.

3.6 *Litigation.* Except as disclosed in the Schedule 3.6, (a) there are no Proceedings pending, affecting or, to the knowledge of Seller, threatened against the Assets before or by any federal, state, foreign or local court, tribunal or governmental agency or authority or (b) as of the date of this Agreement, that challenges, or that may have the effect of preventing, delaying, making illegal, or otherwise interfering with, the transactions contemplated hereby. Except as disclosed on Schedule 3.6, there is no outstanding material Order against Seller which relates to or arises out of the conduct of the Business or the ownership, condition or operation of the Business or the Assets, other than any Orders relating to rates, tariffs and similar matters arising in the ordinary course of business (as to which there is no allegation of a violation).

3.7 *Compliance with Law.* Except as disclosed in Schedule 3.7, Seller is in compliance with all applicable Laws except where the failure to be in compliance is not reasonably likely to have a Seller Material Adverse Effect. Neither Seller, nor, to the knowledge of Seller, any Affiliate thereof has directly or indirectly given or agreed to give any gift or similar benefit to any customer, subcontractor, supplier, government employee, or other Person who was or is in a possible position to help or hinder Seller with respect to the Business, which gift or benefit could reasonably be expected to (i) subject Seller or the Business or the Assets to any damages or penalties in any civil or criminal Proceeding, or (ii) have, in the aggregate, a Seller Material Adverse Effect.

3.8 *Permits.* Except as set forth in the Schedule 3.8, Seller owns or holds all franchises, licenses, permits, consents, approvals and authorizations of all Governmental Authorities necessary for the ownership or operation of the Assets (collectively, the "Permits") except for those permits which the failure to own or hold is not reasonably likely to have a Seller Material Adverse Effect. Each Permit is in full force and effect, and Seller is in compliance with all of its obligations with respect thereto except where the failure to be in full force and effect or to be in compliance therewith would not reasonably be likely to have a Seller Material Adverse Effect. No event has occurred that permits, or upon the giving of notice or the lapse of time or otherwise would permit, revocation or termination of any Permit except such as in the aggregate would not have a Seller Material Adverse Effect.

3.9 *Title to the Assets.* Seller has good and valid title to the Assets free and clear of all Encumbrances, other than the Permitted Encumbrances. Schedule 3.9 lists each material parcel of Real Property that is a part of the Assets. Except as set forth in Schedule 3.9, Seller owns or possesses all material Easements necessary to conduct the Business as now being conducted without any known conflict with the rights of others Seller enjoys peaceful and undisturbed possession under all material real property leases included in the Assets, Seller is not in default, in any material respect, under any of such leases, and all such leases are valid and subsisting and in full force and effect.

3.10 *Brokers Fees.* Seller has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

3.11 *Condition of Assets.* Except as set forth in Schedule 3.11, the Assets constitute all of the assets and properties used by Seller in connection with its Business. Except as set forth in Schedule 3.11, the Assets (a) are in good operating condition, reasonable wear and tear excepted, (b) have been maintained by Seller to normal industry standards, (c) are suitable for the purposes used by Seller, and (d) are adequate for the normal operation of the Business. Except as set forth in Schedule 3.11, there is no imminent repair or replacement pending with respect to the Assets. No condemnation, expropriation, eminent domain or similar proceeding is pending or, to the knowledge of Seller, threatened with respect to the Real Property or the Easements. Seller is in compliance, in all-material respects, with all Easements and similar realty interests benefiting or encumbering the Real Property. The Real Property, and all improvements thereon, do not violate, in any material respect, any applicable zoning, construction code or other restriction of any Governmental Authority.

3.12 *Absence of Liabilities.* Except as set forth in Schedule 3.12, there are no existing, contingent, or threatened liabilities, obligations, liens, or claims (absolute, accrued, contingent or otherwise), that relate to or have been or may be asserted against the Assets other than Permitted Encumbrances and any liabilities and obligations which will be paid in full by Seller prior to the Effective Time.

3.13 *Contracts.* Seller has made available for Buyer's review accurate and complete copies of all Contracts to which Seller is a party or to which the Assets are subject.

3.14 *Taxes.* Seller has filed all Tax Returns required to be filed by Seller or requests for extensions to file such Tax Returns have been timely filed, such Tax Returns are complete and correct in all material respects, and Seller has paid and discharged or made adequate provision for all Taxes and no other Taxes are payable by Seller with respect to items or periods covered by such Tax Returns. There are no pending or, to Seller's knowledge, threatened audits or other examinations relating to any Tax matters, and no deficiencies have been asserted or, to Seller's knowledge, threatened to be asserted, except as set forth in Schedule 3.14. There are no Tax liens on the Assets. As of the date of this Agreement, Seller has not granted any waiver of any statute of limitations with respect to, or any extension of a period for the assessment of, any Tax or the filing of any Tax Return except as set forth in Schedule 3.14.

3.15 *Environmental Matters.* Except as disclosed in Schedule 3.15, Seller holds all environmental Permits that are required for the operation of the Business. Except as disclosed in

Schedule 3.15, Seller's conduct of the Business, and the condition of all properties and improvements included in the Assets (and, to the knowledge of Seller, any off-site storage or disposal of any Hazardous Materials from such operations), is in compliance, in all material respects, with all Environmental Laws. Except as disclosed on Schedule 3.15, Seller is not currently in receipt of any written claim, demand, notice or complaint alleging material violation of, or material liability under, any Environmental Law relating to the operation of the Business or the Assets. Except as described on Schedule 3.15, to the knowledge of Seller, Seller has not incurred any material liability or obligation in connection with any release or threatened release of any Hazardous Material in the environment or any material reclamation or remediation requirements under any Environmental Law, in each case relating to the operation of the Business or the Assets. Seller has not been named as a potential responsible party under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, or any corresponding state laws. Except as described on Schedule 3.15, to the knowledge of Seller, no Hazardous Materials were incorporated in the Real Property or the other Assets prior to the acquisition thereof by Seller. There are no sites, locations or operations at which Seller is currently undertaking, or has completed, any remedial or response action relating to the disposal or release of a Hazardous Material, as required by Environmental Laws, with respect to the Business. Buyer acknowledges that (i) the representations and warranties contained in this Section 3.15 are the only representations and warranties being made with respect to compliance with or liability under Environmental Laws or with respect to any environmental, health or safety matter, including natural resources, related in any way to this Agreement or its subject matter and (ii) no other representation contained in this Agreement shall apply to any such matters and no other representation or warranty, express or implied, is being made with respect thereto.

3.16 *Intellectual Property.* Schedule 3.16 lists all patents, trademarks, service marks and copyrights owned by Seller, and all material third party intellectual property in each case used or held for use by Seller primarily in the operation of the Business. Seller either (a) owns all right, title, and interest in such intellectual property without any obligation to make any license, royalty or other payment with respect thereto, including, to the knowledge of Seller, any license, royalty or other payment resulting from any infringement of any third party rights, or (b) has the right to use pursuant to license, sublicense, agreement, or permission all such intellectual property necessary for the operation of the Business or the Assets.

3.17 *State Regulatory Matters.*

(a) Schedule 3.17 reflects all of the currently pending rate filings relating to the Business heretofore made by Seller before any Governmental Authorities and each other currently pending material Proceeding of such Governmental Authorities.

(b) All currently effective material filings relating to the Business heretofore made by Seller with Governmental Authorities were made in compliance in all material respects with Laws then applicable thereto and the information contained therein was true and correct in all material respects as of the respective dates of such filings.

3.18 *Filings.* No statement furnished by Seller for inclusion in any filing with any Governmental Authority in connection with obtaining such Governmental Authority's consent for the consummation of the transactions contemplated by this Agreement will contain, as of the date

such information is so provided, any untrue statement of a material fact or will omit to state, as of the date such information is so provided, any material fact which is necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

4.1 *Corporate Organization.* Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

4.2 *Qualification.* Buyer is or as of the Closing will be duly qualified to do business as a foreign corporation and is or as of the Closing will be in good standing in the Commonwealth of Kentucky.

4.3 *Authorizations; Approvals.* The execution and delivery by Buyer of this Agreement and the performance of its obligations hereunder have been duly and validly authorized by all requisite corporate action. This Agreement has been duly executed and delivered by Buyer, and constitutes the legal, valid and binding obligation of Buyer enforceable against it in accordance with its terms except insofar as the enforceability hereof may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity regardless of whether such principles are considered in a proceeding at law or in equity. Buyer is not required to obtain any Consent or Order of any Governmental Authority to consummate the transactions contemplated by this Agreement except for Consents or Orders to be obtained by Buyer prior to the Closing Date.

4.4 *Absence of Conflicts.* Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby will violate or breach the terms of, cause a default under, conflict with, result in acceleration of, create in any party the right to accelerate, terminate, modify or cancel or require any notice under (a) any applicable Law, (b) the charter or bylaws of Buyer, or (c) any material contract, agreement, lease, license or other arrangement to which Buyer is a party or by which it, or any of its properties, is bound.

4.5 *Brokers' Fees.* Buyer has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

4.6 *Financing.* Buyer has sufficient cash, available lines of credit or other sources of immediately available funds to enable it to make payment of the Purchase Price at the Closing.

4.7 *Litigation.* There are no actions, suits, proceedings or governmental investigations or inquiries pending, or to the knowledge of Buyer, threatened, against Buyer or any of its properties, assets, operations or businesses that might delay, prevent or hinder the consummation of the transactions contemplated hereby.

ARTICLE 5

COVENANTS OF SELLER AND BUYER

5.1 *Access.* Upon reasonable notice and at Buyer's sole risk, liability and expense, and during normal business hours, Seller shall afford Buyer and its representatives reasonable access, from the date hereof until the Closing Date, to the Assets (including, without limitation, for the purpose of safety and environmental inspections, assessments and nondestructive and noninvasive testing of such Assets by a safety and/or an environmental engineering firm designated by Buyer and reasonably satisfactory to Seller) and the contracts, books, records and data related to the Assets; provided, such access shall be subject to Seller obtaining all necessary consents and approvals from third parties to such access and inspections. Seller shall promptly notify Buyer in each case when such consents are required, and when they have been obtained or withheld. Buyer's investigation shall be conducted in a manner that does not unreasonably interfere with the normal operation of the Assets. Notwithstanding the foregoing, Buyer shall not have access to personnel records of Seller or the Company (or any Affiliates thereof). Buyer agrees to maintain the confidentiality of all such information pursuant to the terms of that certain letter agreement regarding confidentiality dated August 1, 2000 between WBI Holdings, Inc. and Woodward Marketing, L.L.C., affiliates of the parties hereto (the "Confidentiality Agreement"). Buyer hereby agrees to defend, indemnify, release, protect, save and hold harmless Seller and its affiliates from and against any and all losses (including reasonable attorney's fees and court costs) arising out of or relating to any claims relating to any plant or field visit, or other due diligence activity, conducted by Buyer or any of its agents, representatives, employees, affiliates, successors, assigns, officers, representatives or directors (for purposes of this Section 5.1, a "Buyer Party") to the extent such loss is suffered by any Buyer Party.

5.2 *Conduct of Business Pending the Closing.* Seller covenants and agrees, that from the date of this Agreement until the Closing Date, unless Buyer shall otherwise agree or as otherwise contemplated by this Agreement:

(a) Seller will operate the Assets in all material respects in the same manner as the same are presently being operated, and will refrain from entering into any transaction or contract relating directly to any Assets other than in the ordinary course of business;

(b) Seller will not make any non-emergency capital expenditure without the prior written approval of Buyer, which approval shall not be unreasonably withheld;

(c) Seller will not mortgage or pledge any of the Assets or create or suffer to exist any Encumbrance thereupon, other than Permitted Encumbrances;

(d) Except as set forth on Schedule 5.2, Seller will not lease, transfer, or otherwise dispose of, directly or indirectly, any of the Assets; and

(e) Insurance will be maintained by Seller for the Assets in accordance with ordinary course established prior to the date of this Agreement.

5.3 *Consents.* Each of the Parties will use commercially reasonable efforts to obtain the Consents and Orders of Governmental Authorities and any other third parties that may be or become

necessary or advisable for the performance of its obligations pursuant to this Agreement and the consummation of the transactions contemplated hereby and will cooperate in all reasonable respects with the other in promptly seeking to obtain such Consents and Orders as may be necessary or advisable for the performance of their respective obligations pursuant to this Agreement.

5.4 *Commercially Reasonable Efforts.* Each of the Parties shall use commercially reasonable efforts to obtain the satisfaction of all conditions of Closing attributable to such Party in an expeditious manner.

5.5 *Delivery and Retention of Records.* After the Closing Date, Seller, upon request from Buyer, will deliver or cause to be delivered to Buyer all files, records, information and data, relating to the Assets that are in the possession or control of Seller (the "Records"). Buyer agrees to (a) hold the Records and not to destroy or dispose of any thereof for the longer of (i) eight years from the Closing Date, or (ii) such longer time as may be required by law, including, upon notice from Seller, for any mandatory or consensual extension of a statutory limitations period determined by the Internal Revenue Service for Tax Returns, provided that, if Buyer desires to destroy or dispose of such Records during such period, it will first offer in writing at least 60 days prior to such destruction or disposition to surrender them to Seller and if Seller does not accept such offer within 20 days after receipt of such offer, Buyer may take such action and (b) following the Closing Date to afford Seller and its accountants and counsel during normal business hours, upon reasonable request, at any time, full access to the Records and to Buyer's employees to the extent that such access may be requested for any legitimate purpose at no cost to Seller (other than for reasonable out-of-pocket expenses), provided however, that such access will not operate to cause the waiver of any attorney-client, work product or like privilege; provided, further, that in the event of any litigation nothing herein shall limit any Party's rights of discovery under applicable Law.

5.6 *New Commitments.* Subject to Section 5.2, Seller agrees to keep Buyer advised of, and to consult with Buyer regarding, any commercial commitments to be entered into by Seller related to the Assets prior to Closing. Prior to Closing, Buyer agrees that it will not contact Seller's customers on matters relating to the Assets without the prior written consent of Seller and if Seller consents, Buyer will allow a representative of Seller or one of its Affiliates to be present at any such meeting.

5.7 *Transfer Taxes.* Seller shall be responsible for the payment of all state and local transfer, sales, use or other similar Taxes resulting from the transactions contemplated by this Agreement.

5.8 *Schedule of Easements and Interests.* Within thirty (30) days following the date of this Agreement (but in no event later than fifteen (15) days prior to the Closing Date), Seller shall deliver to Buyer a schedule, to be identified as Schedule 5.8, which sets forth all Easements and ownership interests in Real Property included in the Assets, together with such title descriptions, recorded and unrecorded acts, and other information as shall be customary in the Commonwealth of Kentucky, to identify and convey such Easements and ownership interests. All material Easements that, as a condition to their assignment, require Consent from the grantor thereof, shall be so designated on Schedule 5.8.

ARTICLE 6

INDEPENDENT INVESTIGATION AND DISCLAIMER

6.1 *Independent Investigation and Disclaimer.* Buyer acknowledges that: (a) it has had, and pursuant to this Agreement will have prior to the Closing, access to the Assets and the officers and employees of Seller, (b) in making the decision to enter into this Agreement and consummate the transactions contemplated hereby, Buyer has relied solely on the basis of its own independent investigation and upon the expressed representations, warranties, covenants and agreements set forth in this Agreement, and (c) it is familiar with investments of the nature of the Assets, understands that this investment involves substantial risks, has adequately investigated the Assets and has substantial knowledge and experience in financial and business matters such that it is capable of evaluating, and has evaluated, the merits and risks inherent in purchasing the Assets and is able to bear the economic risks of such investment. Accordingly, except as otherwise expressly set forth in this Agreement or in any other document or instrument delivered by Seller pursuant hereto, Buyer acknowledges that Seller has not made, and, except as so otherwise set forth, Seller hereby expressly disclaims and negates any representation or warranty, expressed, implied, at common law, by statute, or otherwise relating to (i) the condition of the Assets (including without limitation, any implied or expressed warranty of merchantability, fitness for a particular purpose or of conformity to models or samples of materials, or environmental condition), and (ii) any information, data or other materials (written or oral) furnished to Buyer by or on behalf of Seller, including without limitation, in respect of the existence or extent of oil, gas, or other mineral reserves; and Buyer will have sole responsibility for any action taken by Buyer, or by others relying on Buyer's advice based on geological maps, records, logs, production or reserve forecasts and other data, if any, transferred under this Agreement.

ARTICLE 7

CONDITIONS TO CLOSING

7.1 *Conditions Precedent to Obligations of Each Party.* The respective obligations of each Party to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment at or prior to the Closing Date of the following conditions:

(a) No Order shall have been entered and remain in effect in any action or proceeding before any Governmental Authority or local regulatory or administrative agency or commission that would prevent or make illegal the consummation of the transactions contemplated by this Agreement and no action or proceeding that has a reasonable likelihood of preventing or materially hindering the transactions contemplated hereby shall have been instituted, which shall not have been subsequently dismissed;

(b) Any and all Consents of third parties necessary in connection with the transactions contemplated hereby shall have been obtained or arrangements shall have been made reasonably satisfactory to Buyer to allow Buyer to receive substantially the same economic benefits as if all such Consents had been obtained; and

(c) Receipt of an Order mutually satisfactory to both Parties from the Kentucky Public Service Commission approving the transactions contemplated by this Agreement. Upon execution

of this Agreement, Buyer will, as expeditiously as possible, make the necessary filing with the Kentucky Public Service Commission and be responsible for any costs associated with any filing. Thereupon, Buyer shall use its best efforts to obtain the approval of this transaction by the Kentucky Public Service Commission.

7.2 *Additional Conditions Precedent to Obligations of Buyer.* The obligation of Buyer to consummate the transactions contemplated by this Agreement are also subject to the fulfillment at or prior to the Closing Date of the following conditions:

(a) The representations and warranties contained in Article 3 shall be accurate in all material respects, as of the Closing Date as though such representations and warranties had been made at and as of that time; all of the terms, covenants and conditions of this Agreement to be complied with and performed by Seller on or before the Closing Date shall have been duly complied with and performed in all material respects, and a certificate to the foregoing effect dated the Closing Date and signed by an authorized executive officer shall have been delivered by Seller to Buyer;

(b) The Assets shall not have been materially damaged requiring repair or replacement costs exceeding \$100,000, and Seller shall not have received notice of any condemnation of all or any significant part of the Assets; and

(c) No Seller Material Adverse Effect shall have occurred and be continuing.

7.3 *Additional Conditions Precedent to Obligations of Seller.* The obligation of Seller to consummate the transactions contemplated by this Agreement are also subject to the fulfillment at or prior to the Closing Date of the condition that the representations and warranties of Buyer contained in Article 4 shall be accurate in all material respects as of the Closing Date as though such representations and warranties had been made at and as of that time; all the terms, covenants and conditions of this Agreement to be complied with and performed by Buyer on or before the Closing Date shall have been duly complied with and performed in all material respects, and a certificate to the foregoing effect dated the Closing Date and signed by an authorized executive officer of Buyer shall have been delivered to Seller.

ARTICLE 8

INDEMNIFICATION AND ASSUMPTION

8.1 *By Seller.* Subject to the terms and conditions of this Article 8, Seller hereby agrees to indemnify, defend and hold harmless Buyer and its respective Affiliates, directors, officers, shareholders and employees (collectively, the "Buyer Indemnified Parties"), from and against any Claim constituting a Loss asserted against, imposed upon, or incurred by any Buyer Party, directly or indirectly, by reason of, arising out of, or resulting from the following (collectively "Buyer Indemnified Liabilities"):

(a) the inaccuracy or breach of any representation or warranty made by Seller in Article 3 of this Agreement;

(b) the breach of any covenant or agreement of Seller contained in this Agreement;

(c) the operation or ownership of the Business or the Assets prior to the Effective Time;

(d) any Taxes related to the Business or the Assets prior to the Effective Time;

(e) any failure to comply with any applicable bulk transfer or similar law in connection with the transactions contemplated hereby; or

(f) the Retained Liabilities.

Except for indemnities related to Retained Liabilities, but including indemnification of Buyer for Environmental Liabilities, Seller's duty of indemnification shall not be effective unless and until the aggregate of all Buyer Indemnified Liabilities exceeds \$100,000, it being understood and agreed that such Buyer Indemnified Liabilities shall accumulate until such time as the aggregate of all such Buyer Indemnified Liabilities exceeds \$100,000, whereupon the Buyer Indemnified Parties shall be entitled to indemnification by Seller hereunder to the extent of such excess and it being further understood and agreed that Seller's maximum indemnification obligations hereunder shall be capped at an aggregate amount equal to 30% of the Purchase Price.

8.2 *By Buyer.* Subject to the terms and conditions of this Article 8, Buyer hereby agrees to indemnify, defend and hold harmless Seller and its respective Affiliates, directors, officers, shareholders and employees (collectively, "Seller Indemnified Parties"), from and against the following (collectively, the "Seller Indemnified Liabilities"): any Claim constituting a Loss asserted against, imposed upon or incurred by any of the Seller Indemnified Parties, directly or indirectly, by reason of, arising out of or resulting from (a) the inaccuracy or breach of any representation or warranty of Buyer in Article 4 of this Agreement; or (b) the breach of any covenant or agreement of Buyer contained in this Agreement; or (c) the operation or ownership of the Assets on or after the Effective Time; or (d) any Taxes related to the operation or ownership of the Assets for Post-Closing Periods.

Except for indemnities related to Assumed Liabilities, Buyer's duty of indemnification shall not be effective unless and until the aggregate of all Seller Indemnified Liabilities exceeds \$100,000, it being understood and agreed that such Seller Indemnified Liabilities shall accumulate until such time as the aggregate of all such Seller Indemnified Liabilities exceeds \$100,000, whereupon the Seller Indemnified Parties shall be entitled to indemnification by Buyer hereunder to the extent of such excess and it being further understood and agreed that Buyer's maximum indemnification obligations hereunder shall be capped at an aggregate amount equal to 30% of the Purchase Price.

8.3 *EXPRESS NEGLIGENCE RULE.* WITHOUT LIMITING OR ENLARGING THE SCOPE OF THE INDEMNIFICATION OBLIGATIONS SET FORTH IN THIS AGREEMENT, AN INDEMNIFIED PARTY SHALL BE ENTITLED TO INDEMNIFICATION HEREUNDER IN ACCORDANCE WITH THE TERMS HEREOF, REGARDLESS OF WHETHER THE LOSS OR CLAIM GIVING RISE TO SUCH INDEMNIFICATION OBLIGATION IS THE RESULT OF THE SOLE, CONCURRENT OR COMPARATIVE NEGLIGENCE, STRICT LIABILITY OR VIOLATION OF ANY LAW OF OR BY SUCH INDEMNIFIED PARTY. THE PARTIES AGREE THAT THIS PARAGRAPH CONSTITUTES A CONSPICUOUS LEGEND.

8.4 *Exceptions and Limitations.* Notwithstanding anything to the contrary in this Agreement, the liability of Seller and Buyer under this Agreement and any documents delivered in connection herewith or contemplated hereby shall be limited as follows:

(a) IN NO EVENT SHALL THE INDEMNIFYING PARTY BE LIABLE TO THE INDEMNIFIED PARTY FOR ANY CONSEQUENTIAL, EXEMPLARY, PUNITIVE, OR SPECULATIVE DAMAGES.

(b) Except as provided below, the representations, warranties, covenants and agreements of Seller and Buyer set forth in this Agreement shall survive the Closing, and all representations, warranties, covenants and agreements of Seller and Buyer under this Agreement and the indemnities granted by Seller in Section 8.1 and by Buyer in Section 8.2 (except those that survive without time limit) shall terminate at 5:00 p.m., local time in Owensboro, Kentucky, on the appropriate anniversary of the Closing Date or on the expiration of the applicable statute of limitations (or extensions or waivers thereof), as the case may be, as set forth below in this Section 8.4(b). In no event, except in the case of indemnities that survive without time limit, shall any amounts be recovered from Seller under Section 8.1 or from Buyer under Section 8.2, respectively, or otherwise for any matter for which a Claim Notice is not delivered to Seller or Buyer, as the case may be, prior to the close of business on the applicable date set forth below.

(1) All representations and warranties of Seller (other than those contained in Section 3.9) contained in or made pursuant to this Agreement, and all covenants, agreements or obligations of Seller contained in or made pursuant to this Agreement that are required to be performed prior to Closing, and the related indemnity obligations of Seller contained in Sections 8.1(a) and (b), shall survive Closing until and shall terminate eighteen (18) months after the Closing Date.

(2) The indemnity obligations of Seller contained in Section 8.1 with respect to (i) Taxes shall survive until the expiration of the applicable statute of limitations (or extensions or waivers thereof); (ii) Environmental Liabilities shall survive until the third anniversary of the Closing Date; (iii) the breach or inaccuracy of the representations and warranties contained in Section 3.9 shall survive without limitation as to time; and (iv) Retained Liabilities not otherwise addressed in clauses (i), (ii) and (iii) of this Section 8.4 (b)(2) shall survive without limitation as to time.

(3) All representations and warranties of Buyer contained in or made pursuant to this Agreement, and all covenants, agreements or obligations of Buyer contained in or made pursuant to this Agreement that are required to be performed prior to Closing, and the related indemnity obligations of Buyer contained in Sections 8.2(a) and (b), shall survive Closing until and shall terminate on the second anniversary of the Closing Date.

(4) The indemnity obligations of Buyer contained in Sections 8.2(c) and (d) shall survive for an unlimited period of time, except in the event any post-closing covenant, agreement or obligation of Buyer under this Agreement is expressly limited as to time, in which event such covenant, agreement or obligation shall survive until the expiration of such specified time period.

(c) Indemnity obligations of any Indemnifying Party shall be reduced by any insurance proceeds realized by any Indemnified Party, except any payments received pursuant to an insurance program under which the Indemnified Party or any of its affiliates bears the ultimate cost of such claim.

(d) Any limitation on indemnification provided in this Section 8.4 that is expressly applicable to any subsection or clause of Section 8.1 or 8.2 shall not be applicable to any indemnification as may be applicable under any other subsection or clause of Section 8.1 or 8.2 to which such limitation is not also expressly applicable.

(e) Notwithstanding any language contained in any Related Document (including deeds and other conveyance documents relating to the Real Property), the representations and warranties of Seller set forth in this Agreement will not be merged into any such Related Document and the indemnification obligations of Seller, and the limitations on such obligations, set forth in this Agreement shall control. No provision set forth in any such Related Document shall be deemed to enlarge, alter or amend the terms or provisions of this Agreement.

8.5 *Notice of Claim.* (a) For purposes of this Article 8, the term "Indemnifying Party" when used in connection with a particular claim shall mean the party having an obligation to indemnify another party with respect to such claim pursuant to this Article 8, and the term "Indemnified Party" when used in connection with a particular claim shall mean the party having the right to be indemnified with respect to such claim by another party pursuant to this Article 8.

(b) Promptly after any Indemnified Party becomes aware of facts giving rise to a claim by it for indemnification pursuant to this Article 8, such Indemnified Party will provide notice thereof in writing to the Indemnifying Party (a "Claim Notice") specifying the nature and specific basis for such claim and a copy of all papers served with respect to such claim (if any). For purposes of this Section 8.5(b), receipt by a party of written notice of any demand, assertion, claim, action or proceeding (judicial, administrative or otherwise) by or from any person or entity other than a Party to this Agreement which gives rise to a claim on behalf of such Party shall constitute the discovery of facts giving rise to a claim by it and shall require prompt notice of the receipt of such matter as provided in the first sentence of this Section 8.5(b). Each Claim Notice shall set forth a reasonable description of the claim as the Indemnified Party shall then have and shall contain a statement to the effect that the Indemnified Party giving the notice is making a claim pursuant to, and formal demand for indemnification, under this Article 8. The Claim Notice must set forth the particular provision in this Article 8 pursuant to which such indemnification claim is made. Notwithstanding the foregoing however, the failure of the Indemnified Party to timely provide a Claim Notice shall not excuse the Indemnifying Party from its obligation to provide indemnification hereunder unless such failure materially impairs the ability of the Indemnifying Party to mitigate or defend such claim.

8.6 *Third-Party Claims.* (a) If an Indemnified Party shall have any third-party claim asserted against such Indemnified Party, the Indemnified Party promptly shall transmit to the Indemnifying Party a Claim Notice relating to such third party claim. Prior to the expiration of the 45-day period following the Indemnifying Party's receipt of such notice (the "Election Period"), the Indemnifying Party shall notify the Indemnified Party (i) whether the Indemnifying Party disputes its potential liability to the Indemnified Party under this Article 8 with respect to such third-party

claim and (ii) whether the Indemnifying Party elects, at the sole cost and expense of such Indemnifying Party, to defend the Indemnified Party against such third-party claim.

(b) If an Indemnifying Party notifies an Indemnified Party within the Election Period that the Indemnifying Party does not dispute its potential liability to the Indemnified Party under this Article 8 and that the Indemnifying Party elects to assume the defense of the third-party claim, then the Indemnifying Party shall have the right to defend, at its sole cost and expense, such third-party claim by all appropriate proceedings, which proceedings shall be prosecuted diligently by the Indemnifying Party to a final conclusion or settled at the discretion of the Indemnifying Party in accordance with this Section 8.6(b). The Indemnifying Party shall have full control of such defense and proceedings, including any compromise or settlement thereof; provided that no such Proceeding may be settled without the prior written consent of the Indemnified Party unless a full release is obtained by the Indemnifying Party and is applicable to the Indemnified Party, all amounts payable pursuant thereto are paid by the Indemnifying Party and the settlement does not adversely affect the business or assets of the Indemnified Party, including the Business or the Assets. If requested by the Indemnifying Party, the Indemnified Party agrees to cooperate fully with the Indemnifying Party and its counsel at the Indemnifying Party's expense in contesting any third-party claim that the Indemnifying Party elects to contest, including, without limitation, the making of any related counterclaim against the person asserting the third-party claim or any cross-complaint against any person. The Indemnified Party shall have the right to participate in, but not control, any defense or settlement of any third-party claim controlled by the Indemnifying Party pursuant to this Section 8.6(b) and shall bear its own costs and expenses with respect to any such participation.

8.7 *Subrogation.* If any Indemnified Party has a right against a third party with respect to any damages, losses, costs or expenses paid to such Indemnified Party by an Indemnifying Party, then such Indemnifying Party shall, to the extent of such payment, be subrogated to the right of such Indemnified Party.

8.8 *Exclusive Remedies.* Except as otherwise provided in this Section 8.8, the rights, remedies and obligations of the Buyer Indemnified Parties and the Seller Indemnified Parties set forth in this Article 8 will be the exclusive rights, remedies and obligations of such Persons after the Closing with respect to this Agreement, the transactions provided for herein or contemplated hereby or Seller's ownership of the Assets or operation of the Business on or before the Closing Date.

ARTICLE 9

TERMINATION

9.1 *Termination.* This Agreement may be terminated and the transactions contemplated hereby abandoned as follows:

- (a) By the mutual written consent of Buyer and Seller at any time prior to the Closing;
- (b) By Buyer or Seller if a final, non-appealable Order to restrain, enjoin or otherwise prevent the consummation of the transactions contemplated hereby shall have been entered by Governmental Authority of competent jurisdiction;

(c) By Buyer, upon and during the continuation of a breach in any material respect of any of the representations and warranties of Seller contained herein or in the failure by Seller to perform and comply in any material respect with any of the agreements and obligations required by this Agreement to be performed or complied with by Seller, provided that such breach or failure is not cured by Seller in a manner reasonably acceptable to Buyer within 45 days of Seller's receipt of a written notice from Buyer that such a breach or failure has occurred;

(d) By Seller, upon and during the continuation of a breach in any material respect of any of representations and warranties of Buyer contained herein or the failure by Buyer to perform and comply in any material respect with any of the agreements and obligations required by this Agreement to be performed or complied with by Buyer, provided that such breach or failure is not cured by Buyer in a manner reasonably acceptable to Seller within 45 days of Buyer's receipt of a written notice from Seller that such a breach or failure has occurred; or

(e) By either party in writing if the Closing has not occurred within five (5) months after the date of this Agreement unless the period is extended by mutual consent. If the Closing has not occurred within such period of time because the conditions precedent to Closing set forth in Section 7.1(c) have not been fulfilled, then such period of time shall be automatically extended for two (2) months.

9.2 *Effect of Termination.* In the event of any termination of this Agreement pursuant to Section 9.1, (i) Seller and Buyer shall have no obligation or liability to each other except that the provisions of Section 5.1 shall survive any such termination, and (ii) nothing herein and no termination pursuant hereto will relieve any party from liability for any breach of this Agreement prior to such termination or, with respect to those provisions that survive such termination, prior to or following termination.

ARTICLE 10

TAX MATTERS

10.1 *Asset Allocation.* Buyer and Seller agree that the fair market value of the Assets shall be as set forth on a post closing schedule denominated as Schedule 10.1 which shall be prepared by Buyer, agreed to by Seller and signed by Buyer and Seller promptly after Closing. Buyer and Seller further agree that (i) for purposes of Schedule 10.1, the value of the Assets shall be allocated in the manner required by Treas. Reg. Section 1.1060-IT; (ii) Seller and Buyer shall use their best efforts to cooperate with each other in order to agree upon the manner in which the value of the Assets shall be allocated for purposes of Schedule 10.1; (iii) such allocation shall be binding on Buyer and Seller for all federal, state and local tax purposes; and (iv) Buyer and Seller shall file with their respective Tax Returns "IRS Form 8594": Asset Acquisition Statement Under Section "1060" which are consistent one with the other, including any required amendments or supplements thereto which shall reflect the allocation on Schedule 10.1.

10.2 *Apportionment.* All Taxes, other than sales tax, on the ownership or operation of the Assets, excluding income taxes, but including franchise taxes, real estate taxes, personal property taxes and ad valorem taxes, for the tax period in which the Closing occurs, shall be apportioned on a pro rata basis for such tax period as of the Effective Time. It is understood and agreed that all such

taxes from any tax period ending prior to the Effective Date shall be the responsibility of Seller and all such taxes from any tax period ending after the Effective Date (except for pro-rated taxes) shall be the responsibility of Purchaser. Any Party which subsequently pays any taxes which are the responsibility of the other Party shall be entitled to prompt reimbursement upon issuance to the responsible Party or evidence of such payment.

10.3 *Access to Information.* (a) Seller shall grant to Buyer (or its designee) access at all reasonable times to all of the information, books and records relating to the Assets within the possession or control of Seller (including work papers and correspondence with taxing authorities), and shall afford Buyer (or its designee) the right (at Buyer's expense) to take extracts therefrom and to make copies thereof, to the extent reasonably necessary to permit Buyer (or its designees) to prepare Tax Returns for all Post-Closing Periods and to conduct negotiations with taxing authorities.

(b) Buyer shall grant to Seller (or their designees) access at all reasonable times to all of the information, books and records relating to the Assets within the possession or control of Buyer (including work papers and correspondence with taxing authorities), and shall afford Seller (or their designees) the right (at Seller's expense) to take extracts therefrom and to make copies thereof, to the extent reasonably necessary to permit Seller (or their designees) to prepare Tax Returns for all Pre-Closing Periods and to conduct negotiations with taxing authorities.

10.4 *Clearance Certificates.* Seller shall provide Buyer with a Tax clearance certificate or similar document(s) which may be required by any state taxing authority in order to relieve Buyer of any obligation to withhold any portion of the Purchase Price.

ARTICLE 11

MISCELLANEOUS

11.1 *Expenses.* Seller and Buyer shall bear and pay all of their own costs and expenses incurred in connection with the transactions contemplated by this Agreement.

11.2 *Waiver and Amendment.* Any provision of this Agreement may be waived at any time by the Party that is entitled to the benefits thereof. This Agreement may not be amended or supplemented at any time, except by an instrument in writing signed on behalf of the Parties hereto. The waiver by any Party hereto of any condition or of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other condition or subsequent breach. The waiver by any Party hereto of any of the conditions precedent to its obligations under this Agreement shall not preclude it from seeking redress for breach of this Agreement other than with respect to the condition so waived.

11.3 *Public Statement.* Seller and Buyer agree to consult with, and obtain the approval of (which approval will not be unreasonably withheld), each other prior to issuing any press release or otherwise making any public statement with respect to the transactions contemplated hereby, and shall not issue any such press release or make any such public statement prior to such consultation and approval, except as may be required by law.

11.4 *Assignment.* This Agreement may not be assigned, by operation of law or otherwise,

by any party hereto without the prior written consent of the other party hereto; provided, however, in the event of any such assignment by a party by operation of law without the consent of the other party as required above, such other party may consent in writing to such assignment after it has occurred and, in such event, this Agreement and all the provisions hereof shall be binding upon the Person receiving such assignment by operation of law. Notwithstanding the foregoing, Buyer may assign this Agreement (or any right or obligation hereunder), without the prior written consent of Seller, to any Affiliate of Buyer provided such Affiliate assumes in writing all of the duties and obligations of Buyer (or such obligation) hereunder provided that no such assignment by Buyer shall in any way operate to enlarge, alter or change any obligation due to Seller or relieve Buyer of its obligations hereunder if such Affiliate fails to perform such obligations, with the understanding that Buyer shall be jointly and severally liable with such Affiliate for any nonperformance of such obligations hereunder. Subject to the provisions of this Section 11.4, this Agreement shall inure to the benefit of and will be binding upon the Parties hereto and their respective legal representatives, successors and permitted assigns.

11.5 *Notices.* All notices, requests, demands, claims and other communications which are required to be or may be given under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered in person or by courier, (b) sent by telecopy or facsimile transmission, answer back requested, or (c) mailed by registered or certified mail, postage prepaid, return receipt requested, to the parties at the following addresses:

if to Seller:

Kentucky Pipeline and Storage Company, Inc.
1250 West Century Avenue
Box 5601
Bismarck, North Dakota 58501-5601
Fax: (701) 530-1596
Attention: Darwin Subart

if to Buyer:

WKG Storage, Inc.
1800 Three Lincoln Centre
5430 LBJ Freeway
Dallas, TX 75240
P.O. Box 650205
Dallas, TX 75265-0205
Fax (972) 855-3080
Attention: General Counsel

or to such other address as any party shall have furnished to the other by notice given in accordance with this Section 11.5. Such notice shall be effective, (i) if delivered in person or by courier, upon actual receipt by the intended recipient, (ii) if sent by telecopy or facsimile transmission, when the answer back is received, or (iii) if mailed, the date of delivery as shown by the return receipt therefor.

11.6 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE,

EXCLUDING ANY CHOICE OF LAW RULES THAT MAY DIRECT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

11.7 *Further Assurances.* In case at any time after the Closing Date any further action is necessary to carry out the purposes of this Agreement, Seller and Buyer will take or cause to be taken such further reasonable action (including the execution and delivery of such further instruments and documents) as the other party reasonably may request all without further consideration.

11.8 *Severability.* If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall continue in full force and effect and shall in no way be affected, impaired or invalidated unless such an interpretation would materially alter the rights and privileges of any party hereto or materially alter the terms of the transactions contemplated hereby.

11.9 *Counterparts.* This Agreement may be executed in counterparts, each of which shall be an original, but all of which together shall constitute one and the same agreement.

11.10 *Headings.* The section headings herein are for convenience only and shall not affect the construction hereof.

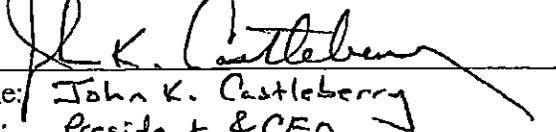
11.11 *Entire Agreement; No Third Party Beneficiaries.* This Agreement, including the Exhibits hereto and the Schedules hereto, and any other documents executed and delivered pursuant to this Agreement and the Confidentiality Agreement constitute the entire agreements and supersede all other prior agreements and understandings, both oral and written, between the Parties, with respect to the subject matter hereof. Except as provided in Article 8 hereof, neither this nor any document delivered in connection with this Agreement, confers upon any person not a party hereto any rights or remedies hereunder.

11.12 *Dispute Resolution.* The Parties agree to submit any dispute arising out of this Agreement to mediation in the State of Delaware in accordance with the CPR Center for Dispute Resolution for Commercial Mediation prior to pursuing their remedies in a court of law.

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed on its behalf by its officers thereunto duly authorized, all as of the date first above written.

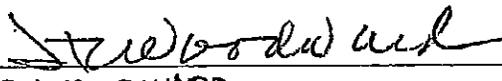
SELLER:

KENTUCKY PIPELINE AND STORAGE COMPANY, INC.

By: 
Name: John K. Castleberry
Title: President & CEO

BUYER:

WKG STORAGE, INC.

By: 
Name: J.D. WOODWARD
Title: PRESIDENT

**SCHEDULE 1.1 (c)
PERSONAL PROPERTY**

1. WELLS, WELLHEAD EQUIPMENT FACILITIES

<u>Well No.</u>	<u>Well Name</u>	<u>Drilling Permit No.</u>	<u>Location</u>	<u>Carter Coordinate</u>	<u>Status</u>
16716	Ames	24974	1450 NL x 2000 EL	12-J-25	Inject/With
16723	Dozier #1	25095	2000 NL x 1100 EL	12-J-25	Inject/With
16743	Dozier #2	25401	2810 SL x 1655 EL	12-J-25	Inject/With
83071	Dozier #3	83071	2325 NL x 1965 EL	12-J-25	Inject/With
25462	Dozier #4	25462	2855 SL x 1610 EL	12-J-25	Monitor
16691	Fletcher-Slaton #1	24526	1600 NL x 250 WL	11-J-25	Monitor
16739	Fletcher-Slaton #2	25335	2400 NL x 200 EL	12-J-25	Inject/With
16784	Fletcher-Slaton #3	25529	2485 SL x 740 EL	12-J-25	Monitor
16718	Island Creek Coal #1	25066	75 SL x 2160 WL	9-J-25	Inject/With
16725	Island Creek Coal #2	25212	1300 SL x 2400 WL	9-J-25	Inject/With
83070	Kypsc0 #1	83070	465 NL x 2055 EL	12-J-25	Inject/With
83210	Kypsc0 #2	83210	1391 NL x 1755 EL	12-J-25	Inject/With
83209	Kypsc0 #3	83209	1283 NL x 2537 EL	12-J-25	Inject/With
84965	Kypsc0 #4	84965	1622 NL x 0711 EL	12-J-25	Inject/With
84966	Kypsc0 #5	84966	0741 NL x 1093 EL	12-J-25	Inject/With
85119	Kypsc0 #6	85119	0808 SL x 0553 EL	9-J-25	Inject/With
85965	Kypsc0 #7	85986	0706 SL x 0444 WL	10-J-25	Inject/With
HD-1	Kypsc0 #8	87222	968 NL x 2125 EL	12-J-25	Withdrawal
16719	Wilson #1	83036	5525 NL x 1375 EL	9-J-25	Inject/With
16737	Wilson #2	83038	1700 SL x 700 EL	9-J-25	Monitor
16742	Wilson #3	83037	75 NL x 400 EL	12-J-25	Inject/With
16695	Wilson-Slaton #1	83039	600 NL x 500 WL	11-J-25	Plugged
16676	Wilson-Parrish #1	24176	900 SL x 1175 WL	10-J-25	Plugged

together with all downhole equipment, wellhead assemblies, valves, measurement equipment, piping and all other equipment and surface facilities of whatever kind and nature presently connected to or used in the operation and maintenance of the above-listed wells.

2. COMPRESSORS

Cooper Ajax-Superior	DPC-360-MH-1	83895-95	Unit A
Cooper Ajax-Superior	DPC-360-MH-1	83894-95	Unit B
Cooper Ajax-Superior	DPC-360-LE-MH-1	84050	Unit C
Cooper Ajax-Superior	DPC-360-LE-MH-1	84037	Unit D

3. DEHYDRATION EQUIPMENT

Tulpro	Absorber	24589-01
Tulpro	Reboiler	12862-01D

4. SEPARATION EQUIPMENT

Tulpro	Horizontal Filter Separator	22097-01
--------	-----------------------------	----------

5. VARIOUS NATURAL GAS FIELD GATHERING AND MEASUREMENT FACILITIES

Including, but not limited to, chart recorders, meters, meter runs, piping and valves used in connection therewith, regulators, cathodic protection devises, tanks, drips, knock-outs, buildings, sheds, enclosures, skids, fences and gates.

6. EIGHT (8)-INCH STEEL NATURAL GAS PIPELINE

An 8-inch steel, coated and wrapped, pipelines together with all valves, fittings, taps, interconnects, regulators, measurement equipment and stations, line markers, and such other equipment and facilities used or obtained in connection with said pipeline from its beginning at the East Diamond Gas Storage Field and termination at the Interconnection with ANR Pipeline in the vicinity of Rabbit Ridge, Kentucky; the construction and design specifications, as built drawings, and route of said pipeline being on file with the Public Service Commission of the Commonwealth of Kentucky (Case No. 91-074).

**SCHEDULE 3.4
CONTRACTS AND COMMITMENTS**

Natural Gas Storage Field Operating Agreement - Orbit Gas Company dated July 27, 1999

Compressor Maintenance Agreement - Orbit Gas Company dated July 27, 1999

Gas Storage Agreement - Orbit Gas Company dated November 16, 1990

Gas Storage Agreement – WKG Storage, Inc. dated March 1, 2001

Gas Storage Agreement – Innovative Gas Services, Inc. dated January 1, 2000

**SCHEDULE 3.5
ABSENCE OF CHANGES**

The assets have been operated consistent with past practice, except for, at the request of Buyer, Seller began injecting odorized gas into the storage facility for the account of Buyer.

**SCHEDULE 3.6
LITIGATION**

NONE

**SCHEDULE 3.7
COMPLIANCE WITH LAW**

NONE

**SCHEDULE 3.8
PERMITS**

NONE

SCHEDULE 3.9

Attachment to Purchase and Sale Agreement dated July 2, 2001 between WKG Storage, Inc. ("Buyer") and Kentucky Pipeline and Storage Company, Inc. ("Seller").

All of Seller's right, title and interest in and to and by virtue of the following described Mineral Conveyances/Underground Gas Lease Storage Agreements and Pipeline Right-of-Way Agreements and the real estate as described therein, to-wit:

A. Mineral Conveyance and Underground Gas Lease Storage Agreements

	<u>GRANTOR/LESSOR</u>	<u>RECORDED BOOK</u>	<u>PAGE</u>	<u>INSTRUMENT DATE</u>	<u>TRACT NAME</u>	<u>TRACT ACREAGE</u>
1	Dixon, Mary Jane, et al	493	114	1/25/90	Claude Dixon	425
2	Dozier, Rush W. Jr., et ux	493	171	5/08/90	Rush Dozier	23.25
3	Dozier, Rush W. Jr., et ux	493	181	7/19/90	Rush Dozier	75
4	Parrish, Joseph R., et al	493	122 127 132 137	3/05/90	J. W. Parrish Heirs	126
5	Slaton, A. Norris, et al	493	142	4/23/90	A. Norris Slaton	403
6	Slaton, Albert, et al	493	149 154 159	4/23/90	Albert Slaton	72
7	Slaton, A. Norris, et al	493	166	5/08/90	John Slaton	13
8-A	Island Creek Coal Company	493	89	3/09/90	Island Creek #205A	31.5
8-B	Island Creek Coal Company	493	89	3/09/90	Island Creek #205B	67.5
8-C	Island Creek Coal Company	493	89	3/09/90	Island Creek #208	135

CASE NO. 2016-00053
ATTACHMENT 1
TO AG DR NO. 1-05

SCHEDULE 3.9

Attachment to Purchase and Sale Agreement dated July 2, 2001 between WKG Storage, Inc. ("Buyer") and Kentucky Pipeline and Storage Company, Inc. ("Seller").

8-D	Island Creek Coal Company	493	89	3/09/90	Island Creek #209	34.75
8-E	Island Creek Coal Company	493	89	3/09/90	Island Creek #210	87.5
8-F	Island Creek Coal Company	493	89	3/09/90	Island Creek #211	88
8-G	Island Creek Coal Company	493	89	3/09/90	Island Creek #213A	60
9	Wicks, Donna, et al	493	176	6/18/90	Wicks	20

B. Pipeline Right-of-Way Agreements

	<u>GRANTOR</u>	<u>RECORDED BOOK</u>	<u>PAGE</u>	<u>INSTRUMENT DATE</u>	<u>RIGHT-OF-WAY FORM</u>	<u>COMMENTS</u>
1	Howton, Reorge William et al	497	10	11/17/90	KP&S-11 (BC-90)	Fifty feet in width.
2	Coates, James Robert et ux	497	12	10/24/90	KP&S-11 (BC-90)	Fifty feet in width.
3	Kirkwood, Alvin et ux	497	14	10/24/90	KP&S-11 (BC-90)	Fifty feet in width.
4	Powell, Tommy et ux	497	16	9/11/90	KP&S-11 (BC-90)	Fifty feet in width.
5	Hooper, Richard A., et ux	497	18	12/06/90	KP&S-11 (BC-90)	Fifty feet in width.
6	Robards, Edna et al	503	661	9/19/90	KP&S-11 (BC-90)	Fifty feet in width.
7	Chevron, U.S.A., Inc.	497	48	10/08/90	Typed version of KP&S-11 Form	Fifty feet in width.

CASE NO. 2016-00053
ATTACHMENT 1
TO AG DR NO. 1-08

SCHEDULE 3.9

Attachment to Purchase and Sale Agreement dated July 2, 2001 between WKG Storage, Inc. ("Buyer") and Kentucky Pipeline and Storage Company, Inc. ("Seller").

8	Bivens, Jerry, et ux	497	22	11/07/90	KP&S-11 (BC-90)	Fifty feet in width.
9	Hawkins, Betty	497	24	11/05/90	KP&S-11 (BC-90)	Fifty feet in width.
10	Hollis, Ruby	497	26	10/04/90	KP&S-11 (BC-90)	Fifty feet in width.
11	Cary, Parket, et ux	497	28	10/03/90	KP&S-11 (BC-90)	Fifty feet in width.
12	Chevron, U.S.A., Inc.	497	318	12/14/90	Typed version of KP&S-11 Form	Fifty feet in width.
13	William E. Groves Construction Company, Inc.	497	30	1/07/91	KP&S-11 (BC-90)	Fifty feet in width.
14	Lamb, I. T., Jr., et ux	497	32	11/30/90	KP&S-11 (BC-90)	Fifty feet in width.
15	Holzhauser, Albert Lee, et ux	497	34	11/30/90	KP&S-11 (BC-90)	Fifty feet in width.
16	City of Earlington	497	36	11/13/90	KP&S-11 (BC-90)	Fifty feet in width.
17	Gill, Jack D., et ux	497	38	11/30/90	KP&S-11 (BC-90)	Fifty feet in width.
18	Chaisson, Patsy, et vir	497	40	1/03/91	KP&S-11 (BC-90)	Fifty feet in width.
19	Johnson, Pearl	497	44	12/14/90	KP&S-11 (BC-90)	Fifty feet in width.
20	Inglis, Oda, Jr., et ux	497	42	10/17/90	KP&S-11 (BC-90)	Fifty feet in width.
21	Perry, Carl M.	497	46	10/04/90	KP&S-11 (BC-90)	Fifty feet in width.
22	Badgett, Russell, Trustee	502	129	8/22/91	KP&S-11 (BC-90)	Fifty feet in width.

SCHEDULE 3.9

Attachment to Purchase and Sale Agreement dated July 2, 2001 between WKG Storage, Inc. ("Buyer") and Kentucky Pipeline and Storage Company, Inc. ("Seller").

23	Barton, Trent, et ux	504	315	12/16/91	KP&S-11 (BC-90)	Fifty feet in width.
24	Island Creek Coal Company	506	165	11/20/91	Typed Agreement	25' right-of-way along specific route.
25	Commonwealth of Kentucky	507	327	3/17/92	Deed of Easement	Unspecified right-of-way width.
26	AMCA/Andalex	n/a	n/a	2/03/92	Typed Agreement	Unrecorded coal haul road easement.
27	Winstead, Cleveland, et ux	507	410	4/06/92	KP&S-11 (BC-90)	This right-of-way and all counterparts require relocation of pipeline upon 180 days notice.
28	Flener, George, Jr., et ux	536	611	2/14/95	KP&S-11 (BC-90)	None
29	Dement, Janes	509	77	6/08/92	KP&S-11 (BC-90)	None
30	Dement, Curtis, et ux	509	305	6/15/92	KP&S-11 (BC-90)	None
31	Yates, Emma Lou, et vir	509	307	6/12/92	KP&S-11 (BC-90)	None
32	Vandiver, Hattie D., et vir	509	311	6/11/92	KP&S-11 (BC-90)	None
33	Winstead, Billy Wayne, et ux	509	313	6/11/92	KP&S-11 (BC-90)	None
34	Adams, Anna D. et vir	509	315	6/11/92	KP&S-11 (BC-90)	None
35	Flener, Jerry Ray, et ux	509	344	6/18/92	KP&S-11 (BC-90)	None
36	McCarty, Brenda Gall	509	346	6/20/92	KP&S-11 (BC-90)	None

SCHEDULE 3.9

Attachment to Purchase and Sale Agreement dated July 2, 2001 between WKG Storage, Inc. ("Buyer") and Kentucky Pipeline and Storage Company, Inc. ("Seller").

37	Jones, Margaret Sue, et vir	510	95	6/12/92	KP&S-11 (BC-90)	None
38	Stills, Shirley Ann, et vir	509	309	6/13/92	KP&S-11 (BC-90)	None
39	Badgett, Russell, Jr., Trustee	507	408	3/04/92	KP&S-11 (BC-90)	None
40	Wyatt, Jo Nell et vir	n/a	n/a	9/27/90	KP&S-11 (BC-90)	None
41	Badgett, Russel, Jr., et ux	n/a	n/a	9/10/90	KP&S-11 (BC-90)	None
42	Adkins, Austin, et ux	n/a	n/a	9/06/90	KP&S-11 (BC-90)	None

**SCHEDULE 3.11
CONDITION OF ASSETS**

NONE

**SCHEDULE 3.12
ABSENCE OF LIABILITES**

NONE

**SCHEDULE 3.14
TAXES**

The state of Kentucky has notified KYPSCO that it owes the state of Kentucky additional tax on the 1999 return. The amount due is \$6,607.01 (\$5,593.00 of tax and \$634.01 of interest). The state is also charging a penalty of \$1,194.60; KYPSCO has asked the tax department to abate the penalty.

**SCHEDULE 3.15
ENVIRONMENTAL MATTERS**

NONE

**SCHEDULE 3.16
INTELLECTUAL PROPERTY**

NONE

**SCHEDULE 3.17
STATE REGULATORY MATTERS**

There are no pending rate filings.

**SCHEDULE 5.2
CONDUCT OF BUSINESS PENDING THE CLOSING**

NONE

Exhibit A

ASSIGNMENT AND BILL OF SALE

Instrument of Assignment and Bill of Sale dated _____ by Kentucky Pipeline and Storage Company, Inc., a Delaware corporation ("Seller"), in favor of WKG Storage, Inc., a Delaware corporation ("Buyer").

WHEREAS, pursuant to the Purchase and Sale Agreement dated as of July 2, 2001 (the "Agreement") between Seller and Buyer, Seller is selling to Buyer certain assets described herein as the Assets:

(a) the Real Property described in the Schedule attached hereto, and all buildings, structures and other improvements, fixtures and fittings located on such Real Property, and all Easements, whether or not of record), appurtenances and other interests owned or held by Seller and necessary for or relating to the Business (including all gas pipes and pipelines, and all facilities used for storing and delivering natural gas);

(b) all inventories of natural gas, including, but not limited to, all line pack, and all supplies, materials and critical spares held by Seller for use in connection with the Business and, excluding natural gas of third parties, located on, in storage for, or in transit to the Real Property on the Closing Date;

(c) personal property, listed on the Schedule attached hereto and all machinery, equipment, tools, vehicles, furniture and other tangible personal property used in connection with the Business located in Hopkins County, Kentucky; and all warranties, guarantees, and service and replacement programs of manufacturers, service providers or other vendors relating thereto, in each case to the extent that the same are transferable;

(d) all Contracts relating to the Business, including, but not limited to, oil, gas and other mineral leases;

(e) the franchises, ordinances or similar agreements with respect to Seller's authority to store natural gas and all other licenses, permits and authorizations held by Seller and relating to the Business, in each case to the extent the same are assignable;

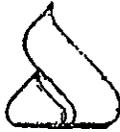
(f) originals or copies of all Records, books, operating records, operating, safety and maintenance manuals, engineering design plans, blueprints and as-built plans, specifications, procedures and similar items of Seller relating to the Assets, including all books of account, customer lists, billing records and other customer correspondence relating to the Business, all regulatory filings and all other books and records relating to the rates and services provided by Seller in connection with the operation of the Business; and

(g) all rights to insurance and condemnation proceeds outstanding on the Closing Date to the extent relating to the damage, destruction, taking or other impairment of the Assets which damage, destruction, taking or other impairment occurs on or prior to the Closing, but only to the extent of any proceeds remaining after any repair or replacement of the affected Assets;

(h) all well records at any location including, if any, logs cores, core analyses, drilling data including horizontal well surveys, completion reports, flow-test data,

REPLY TO: 100 West Third Street, Suite 300
Owensboro, KY 42303

Telephone 270.684.0459 FAX 270.683.5148



Woodward Marketing, L.L.C.

Mr. Darwin Subart
Mr. Tom Hopgood
KENTUCKY PIPELINE & STORAGE COMPANY, INC.
1700 Lincoln, Suite 4600
Denver, CO 80203

November 28, 2001
Via Facsimile & Overnight Mail

IN RE: CLOSING TRANSACTION: EAST DIAMOND STORAGE FACILITY

Dear Darwin and Tom:

This letter confirms our telephone conversation on November 26, 2001 regarding closing on the East Diamond transaction.

Please find transmitted herewith an Officer's Certificate that I have executed on behalf of WKG Storage, Inc. The required WKG Corporate Certificate will also be faxed to you. The Officer's Certificate will be overnighted from our office in Owensboro for delivery to your office in Denver on Thursday morning. The WKG Corporate Certificate will also be overnighted from Dallas for delivery to your office Thursday morning.

Further, per our conversation, I understand that you will overnight to our office in Owensboro for delivery on Thursday morning the following documents, to-wit:

1. Assignment and Bill of Sale
2. Corporate Certificate
3. Officer's Certificate

It is agreed that upon receipt of the aforesaid documents, we will remit via wire transfer the purchase price of \$13,090,959.80 to the following depository:

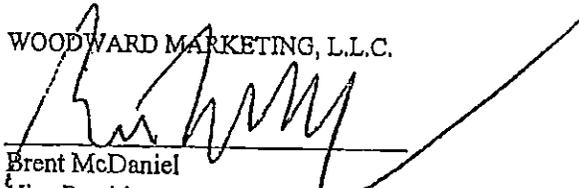
WBI Southern, Inc.
US Bank Bismarck
ABA #091300023
Acct# 163095535536

It is agreed that the properly executed Assignment and Bill of Sale and accompanying closing documents will be held in trust until receipt of the funds is acknowledged.

We are grateful for your exceptional cooperation and patience throughout this transaction, and we hope there will be other opportunities to work together in the future. Should you have any questions regarding the foregoing, please call me.

Very truly yours,

WOODWARD MARKETING, L.L.C.


Brent McDaniel
Vice President

REPLY TO: 100 West Third Street, Suite 300
Owensboro, KY 42303

Telephone 270.684.0459 FAX 270.684.8418

Woodward Marketing, L.L.C.

FACSIMILE TRANSMITTAL

November 29, 2001

TO:	NAME:	Louis Gregory
	COMPANY:	ATMOS ENERGY CORPORATION
	FAX:	972.855.3080

FROM:	NAME:	Brent McDaniel
	COMPANY:	WOODWARD MARKETING, L.L.C.
	FAX:	270.683.5148

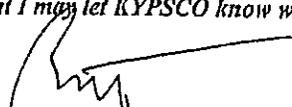
REMARKS

IN RE: EAST DIAMOND CLOSING

Transmitted please find the Closing Statement in connection with the captioned transaction, as well as correspondence and accompanying documents with Darwin Subart/Tom Hoggood. The total cash required at closing set forth in the closing statement is correct, as I indicated on the copy transmitted herewith. Please note that KYPSCO's wire transfer instructions are as follows:

WBI Southern, Inc.
US Bank Bismarck
ABA #091300023
Acct# 163095535536

In addition, please find transmitted copies of the properly executed Assignment and Bill of Sale, Corporate Resolution, and Officer's Certificate that were Federal Expressed to our office by KYPSCO this morning. As you will note, the Assignment and Bill of Sale is in recordable form and may be placed of record in Hopkins County, Kentucky. As stated in my letter to Tom Hoggood, the Assignment and Bill of Sale will be held in trust until their acknowledgement of receipt of the purchase price amount. I believe that you may now ask Treasury to initiate the wire transfer. Please let us know when this is done so that I may let KYPSCO know when to expect the deposit.


Brent McDaniel
Vice President

ASSIGNMENT AND BILL OF SALE

Instrument of Assignment and Bill of Sale dated November 1, 2001 by Kentucky Pipeline and Storage Company, Inc., a Delaware corporation ("Seller"), in favor of WKG Storage, Inc., a Delaware corporation ("Buyer").

WEHEREAS, pursuant to the Purchase and Sale Agreement dated as of July 2, 2001 (the "Agreement") between Seller and Buyer, Seller is selling to Buyer certain assets described herein as the Assets:

(a) the Real Property described in the Schedule attached hereto, and all buildings, structures and other improvements, fixtures and fittings located on such Real Property, and all Easements, whether or not of record), appurtenances and other interests owned or held by Seller and necessary for or relating to the Business (including all gas pipes and pipelines, and all facilities used for storing and delivering natural gas);

(b) all inventories of natural gas, including, but not limited to, all line pack, and all supplies, materials and critical spares held by Seller for use in connection with the Business and, excluding natural gas of third parties, located on, in storage for, or in transit to the Real Property on the Closing Date;

(c) personal property, listed on the Schedule attached hereto and all machinery, equipment, tools, vehicles, furniture and other tangible personal property used in connection with the Business located in Hopkins County, Kentucky; and all warranties, guarantees, and service and replacement programs of manufacturers, service providers or other vendors relating thereto, in each case to the extent that the same are transferable;

(d) all Contracts relating to the Business, including, but not limited to, oil, gas and other mineral leases;

(e) the franchises, ordinances or similar agreements with respect to Seller's authority to store natural gas and all other licenses, permits and authorizations held by Seller and relating to the Business, in each case to the extent the same are assignable;

(f) originals or copies of all Records, books, operating records, operating, safety and maintenance manuals, engineering design plans, blueprints and as-built plans, specifications, procedures and similar items of Seller relating to the Assets, including all books of account, customer lists, billing records and other customer correspondence relating to the Business, all regulatory filings and all other books and records relating to the rates and services provided by Seller in connection with the operation of the Business; and

(g) all rights to insurance and condemnation proceeds outstanding on the Closing Date to the extent relating to the damage, destruction, taking or other impairment of the Assets which damage, destruction, taking or other impairment occurs on or prior to the Closing, but only to the extent of any proceeds remaining after any repair or replacement of the affected Assets;

(h) all well records at any location including, if any, logs cores, core analyses, drilling data including horizontal well surveys, completion reports, flow-test data, material balance and inventory verification data/reports, geologic maps and geologic and

engineering reports, as well as leak surveys, pipeline pressure tests and MAOP certifications and any environmental audits and/or filings whether Federal, State or Local; and

(i) all land files and records at any location, including, if any, leases and storage agreements, deeds, rights-of-way, surface-use agreements, licenses, permits, road, rail and river crossing permits, title reports, title and opinions and curative instruments, correspondence relating thereto, and evidence of payment of annual rents and royalties

NOW, THEREFORE, pursuant to the terms of the Agreement and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller does hereby sell, assign, transfer, convey and deliver unto Buyer, its successors and assigns, each and all of the Assets described in the Agreement and incorporated herein, intending hereby to convey all of the right, title and interest of Seller therein, provided, however, as to any lease, contract, agreement, permit or other authorization included in the Assets which cannot be sold, transferred, assigned, conveyed or delivered effectively without the consent of a third party, which consent has not been obtained, this instrument shall be of no force or effect until such requisite consent is obtained, whereupon this instrument shall become of full force and effect with respect thereto.

This Instrument of Assignment shall be binding upon Seller and its successors and assigns and shall inure to the benefit of Buyer and its successors and assigns.

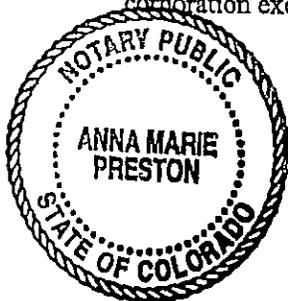
IN WITNESS WHEREOF, Kentucky Pipeline and Storage Company, Inc. has caused this Instrument of Assignment and Bill of Sale to be duly executed and delivered this 1st day of November, 2001.

KENTUCKY PIPELINE AND STORAGE COMPANY,
INC.

By: *Darwin Subart*
Darwin Subart
Vice President

STATE OF COLORADO)
City and : ss.
COUNTY OF DENVER)

On this 1st day of Nov, 2001, before me personally appeared Darwin Subart, known to me to be the Vice PRES of the corporation described in and which executed the within and foregoing instrument, and acknowledged to me that said corporation executed the same.



Anna Marie Preston, Notary Public
Denver County, Colorado
My Commission Expires: _____

My Commission Expires 08/21/2004

**CLOSING STATEMENT
EFFECTIVE AS OF NOVEMBER 1, 2001**

PURCHASE PRICE **\$ 13,000,000.00**

Decrease In Sales Price

Storage Fees, excluding fuel retention costs, paid by Buyer to Seller from March 1, 2001 through July 31, 2001	<u>\$ 128,356.03</u>
Total Decrease	\$ 128,356.03

Increase in Sales Price

November Operating Fee paid to Orbit Gas Company	\$ 16,500.00
Actual 2001 property taxes related to the period subsequent to the Effective Time	<u>\$ 1,662.52</u>
Total Increase	\$ 18,162.52

PURCHASE PRICE **\$ 12,889,806.49**

Storage Fees Owed Seller for March 2001 through July 2001	\$ 128,356.03
Storage Fees Owed Seller for August 2001	\$ 26,345.08
Storage Fees Owed Seller for September 2001	\$ 26,452.20
Storage Fees Owed Seller for October 2001	<u>\$ 20,000.00</u>

TOTAL CASH REQUIRED AT CLOSING **\$ 13,090,959.80**

OFFICER'S CERTIFICATE

In accordance with the section 7.2 (a) of the Purchase and Sale Agreement ("Agreement") entered into on July 2, 2001, by and between Kentucky Pipeline and Storage Company, Inc., a Delaware corporation ("Seller") and WKG Storage, Inc., a Delaware corporation ("Purchaser"), the undersigned hereby certifies as set forth below on behalf of the Seller. All capitalized terms used in this certificate shall have the meanings assigned to them in the Agreement, unless otherwise defined in this certificate.

Representations and Warranties of Seller. The representations and warranties of Seller set forth in the Agreement are true and correct in all material respects as of the Closing Date with the same effect as though stated as of the Closing Date, and Seller shall have complied with, and performed in all material respects, the terms, covenants, and conditions of this Agreement as of the Closing Date.

IN WITNESS WHEREOF, this certificate has been executed by the undersigned on the 1st day of November 2001.

KENTUCKY PIPELINE AND STORAGE COMPANY, INC.

By: 

Darwin L. Subart
Vice President

CERTIFICATE

I, TOM K. HOPGOOD, hereby certify that I am the duly elected and qualified Assistant Secretary of Kentucky Pipeline and Storage Company, Inc., a Delaware corporation; that the following is a true and correct copy of resolutions adopted by Written Consent of the Board of Directors dated June 27, 2001; and that said resolutions have not been modified or amended and are presently in full force and effect:

RESOLVED, that the Board of Directors of Kentucky Pipeline and Storage Company, Inc., a Delaware corporation (the "Company") deems it to be in the best interest of the Company and its sole stockholder to enter into a Purchase and Sale Agreement (the "Agreement"), by and between the Company and WKG Storage, Inc., a Delaware corporation ("WKG"), whereby the Company sells, transfers, conveys, assigns, and delivers to WKG substantially all of the assets of the Company, other than Excluded Assets (the "Assets") (as these terms are defined in the Agreement) for the price of Thirteen Million Dollars (\$13,000,000), subject to adjustments (the "Purchase Price"), as set forth in the Agreement;

FURTHER RESOLVED, that the Agreement (substantially in the form of Exhibit A and which will be filed with the records of the Company) be, and it hereby is, approved; and the transactions contemplated under the Agreement be, and they hereby are, approved;

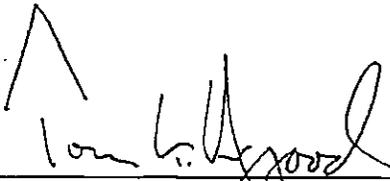
FURTHER RESOLVED, that the Agreement be submitted to the sole stockholder of the Company for its approval of the sale of the Assets and that such approval is recommended by this Board of Directors;

FURTHER RESOLVED, that, subject to the approval of the sole stockholder, the Chief Executive Officer, President or any Vice President of the Company be, and each of them hereby is, authorized and empowered, in the name and on behalf of the Company, to execute and deliver the Agreement, substantially in the form presented to the directors, with such changes therein as the officer executing the same may approve, such execution thereof to be conclusive evidence of the officer's authority granted herein and the approval thereof by the Board of Directors; and

FURTHER RESOLVED, that the proper officers of the Company be, and each of them hereby is, authorized and empowered to take or cause to be taken any and all such further actions and to execute and deliver or cause to be executed and delivered all such further agreements, documents, certificates, and undertakings, in the name and on behalf of the Company, and to make such filings or applications with governmental or regulatory agencies and authorities as the officers may

determine to be necessary, proper, or desirable to carry into effect the intent and purpose of any and all of the foregoing resolutions; and the delivery of any such agreement, document, certificate, and/or undertaking shall be conclusive evidence of the officer's authority granted herein and the approval thereof by the Board of Directors; and all actions previously taken by any officer of the Company in connection with the transactions contemplated by the Agreement (including, but not limited to, the negotiation of the Agreement and all related agreements) and the transactions contemplated by the foregoing resolutions are hereby ratified, approved, and confirmed in all respects.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said
Company this ^{1st} ~~10th~~ day of November 2001.



TOM K. HOPGOOD, Assistant Secretary

(Corporate Seal)

**WKG STORAGE, INC.
ASSISTANT CORPORATE SECRETARY'S CERTIFICATE**

The undersigned, being the Assistant Corporate Secretary of WKG STORAGE, INC., a Delaware corporation (the "Company"), does hereby certify that the following recitals and resolutions were duly adopted November 15, 2001 by the Written Consent of the Directors of the Company and have not been altered, amended, rescinded, or repealed and are now in full force and effect:

WHEREAS, the Company desires to enter into an agreement to purchase for cash the East Diamond Gas Storage Field in Kentucky through the purchase of such assets from Kentucky Pipeline and Storage Company, Inc. ("KYPSCO"), which is a wholly-owned subsidiary of WBI Holdings, Inc., a wholly-owned subsidiary of MDU (the "East Diamond Transaction"); and

WHEREAS, the Company has concluded that it would be in the best interests of the Company and its shareholders for the Company to purchase the assets included in the East Diamond Transaction.

NOW, THEREFORE, BE IT RESOLVED, that the Company purchase the assets included in the East Diamond Transaction.

FURTHER RESOLVED, that the officers of the Company be, and each of them hereby is, authorized and directed, in the name and on behalf of the Company: 1) to execute and deliver any and all documents and instruments that they deem necessary or appropriate in connection with carrying out these resolutions, with such terms as the officers executing the same, shall, in their sole and absolute discretion, approve, the execution and delivery thereof being conclusive evidence of such approval; and 2) to take any and all actions necessary to close and consummate the transactions contemplated thereby, and that the signature of any one officer shall be sufficient to close and consummate the transactions contemplated by these Resolutions;

FURTHER RESOLVED, that the officers of the Company be, and each of them hereby is, authorized and directed to execute and deliver all documents and instruments and to take all actions that they deem necessary or appropriate to carry out the purposes of these resolutions and that any and all actions taken by any such officer prior to the date this written consent is actually executed in effecting the purposes of the foregoing resolutions is hereby ratified, approved, confirmed, and adopted in all respects.

IN WITNESS WHEREOF, I have hereunto signed my name this 27th day of November, 2001.


Suzanne Johnson
Assistant Corporate Secretary

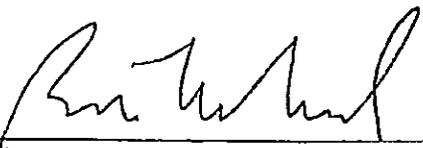
WKG STORAGE, INC.

OFFICER'S CERTIFICATE

The undersigned, Brent McDaniel, certifies that he is the Vice President of WKG Storage, Inc., a Delaware corporation ("WKG"), and that, as such, he is authorized to execute and deliver this Certificate to Kentucky Pipeline and Storage Company, Inc., a Delaware corporation, for and on behalf of WKG and further certifies as follows, pursuant to Section 7.3 of that certain Purchase and Sale Agreement by and between Woodward and Kentucky Pipeline and Storage Company, Inc. dated July 2, 2001 (the "Agreement"):

1. The representations and warranties of WKG in the Agreement are true and correct in all material respects as of the date of the Agreement and as of the Closing Date, subject to changes expressly contemplated and permitted by the Agreement, except that representations and warranties made as of, or in respect of, only a specified date or period are true and correct in all material respects as of, or in respect of, such date or period.
2. The obligations required by the Agreement to be performed by WKG have been performed prior to or at the Closing Date.

The undersigned has executed this Certificate as of the 1st day of November, 2001.

By: 
Name: Brent McDaniel
Title: Vice President

Case No. 2016-00053
WKG Storage, Inc.
AG RFI Set No. 1
Question No. 1-07
Page 1 of 1

REQUEST:

When WKG Storage Inc. was created, what entity or entities initially capitalized the company and what entity today owns WKG Storage? Please include the names and amount of ownership if multiple entities own WKG Storage. Since inception, if WKG Storage has undergone any change in ownership, please provide the dates and process of each change.

RESPONSE:

The purchase price was paid via wire transfer from WKG Storage, Inc. to Kentucky Public Service and Storage Company, Inc. WKG Storage, Inc. was incorporated in 1999 and capitalized by Atmos Storage, Inc. A copy of WKG Storage, Inc.'s Articles of Incorporation are included as Attachment 1.

ATTACHMENT:

ATTACHMENT 1 - WKG Storage, Inc., AG_1-07_Att1 - Articles of Incorporation.pdf, 4 Pages.

Respondent: Joe Christian

State of Delaware
Office of the Secretary of State PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "WKG STORAGE, INC.", FILED IN THIS OFFICE ON THE THIRTIETH DAY OF APRIL, A.D. 1999, AT 9:02 O'CLOCK A.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



A handwritten signature in cursive script that reads "Edward J. Freel".

Edward J. Freel, Secretary of State

3037222 8100

991172039

AUTHENTICATION: 9719181

DATE: 04-30-99

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:02 AM 04/30/1999
991172039 - 3037222

CERTIFICATE OF INCORPORATION

OF

WKG STORAGE, INC.

FIRST. The name of the Corporation is WKG STORAGE, INC.

SECOND. The address of the Corporation's registered office in the State of Delaware is 1013 Centre Road, in the City of Wilmington, 19805, County of New Castle. The name of its registered agent at such address is Corporation Service Company.

THIRD. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH. The corporation shall be authorized to issue one class of stock to be designated Common Stock, the total number of shares which the corporation shall have authority to issue is one thousand (1,000), and each share shall have a par value of one dollar (\$1.00).

FIFTH. (1) The name and mailing address of the incorporator is Atmos Storage, Inc., P. O. Box 650205, Dallas, Texas 75265-0205.

(2) The powers of the incorporator are to terminate upon the filing of this Certificate of Incorporation. The names and mailing addresses of the persons who are each to serve as a director until the first annual meeting of stockholders or until his respective successor has been elected and qualified are as follows:

<u>Name</u>	<u>Address</u>
Robert W. Best, Chairman of the Board	P.O. Box 650205 Dallas, Texas 75265-0205
Larry J. Dagley	P.O. Box 650205 Dallas, Texas 75265-0205
Glen A. Blanspet	P.O. Box 650205 Dallas, Texas 75265-0205

SIXTH. The election of directors need not be by written ballot

SEVENTH. The Board of Directors is authorized to adopt, amend, or repeal Bylaws of the Corporation

EIGHTH. Any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, partner, trustee, or agent of another corporation, partnership, joint venture, trust or other enterprise (including an employee benefit plan), shall be entitled to be indemnified by the Corporation to the full extent then permitted by law against expenses (including attorneys' fees and disbursements), judgments, fines (including excise taxes assessed on a person with respect to an employee benefit plan), and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding. Such right of indemnification shall inure whether or not the claim asserted is based on matters which antedate the adoption of this Article EIGHTH. Such right of indemnification shall continue as to a person who has ceased to be a director, officer, employee, partner, trustee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person. The indemnification provided by this Article EIGHTH shall not be deemed exclusive of any other rights which may be provided now or in the future under any provision currently in effect or hereafter adopted by the bylaws currently in effect or hereafter adopted, by any agreement, by vote of stockholders, by resolution of disinterested directors, by provision of law, or otherwise.

NINTH. No director of the Corporation shall be liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, provided that this provision does not eliminate the liability of the director (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of Title 8 of the Delaware Code, or (iv) for any transaction from which the director derived an improper, personal benefit. For purposes of the prior sentence, the term "damages" shall, to the extent permitted by law, include without limitation any judgment, fine, amount paid in settlement, penalty, punitive damages, excise or other tax assessed with respect to an employee benefit plan, or expense of any nature (including, without limitation, attorneys' fees and disbursements). Each person who serves as a director of the Corporation while this Article NINTH is in effect shall be deemed to be doing so in reliance on the provisions of this Article NINTH, and neither the amendment or repeal of this Article NINTH shall apply to or have any effect on the liability or alleged liability of any director or the Corporation for, arising out of, based upon, or in connection with any acts or omissions of such director occurring prior to such amendment, repeal, or adoption of an inconsistent provision. The provisions of this Article NINTH are cumulative and shall be in addition to and independent of any and all other limitations on or eliminations of the liabilities of directors of the Corporation,

as such, whether such limitations or eliminations arise under or are created by any law, rule, regulation, bylaw, agreement, vote or shareholders or disinterested directors, or otherwise.

TENTH. Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this Corporation under Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under Section 279 of Title 8 of the Delaware Code, order a meeting of the creditors or class of creditors and/or of the stockholders or class of stockholders of this Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors and/or of the stockholders or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors and/or on all the stockholders or class of stockholders of this Corporation, as the case may be, and also on this Corporation.

ELEVENTH. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred on stockholders herein are granted subject to this reservation.

IN WITNESS WHEREOF, the undersigned has made and executed this Certificate of Incorporation this 30 day of April, 1999.

ATMOS STORAGE, INC.

By: 
Glen A. Blanscet
Vice President & Corporate Secretary

Case No. 2016-00053
WKG Storage, Inc.
AG RFI Set No. 1
Question No. 1-08
Page 1 of 1

REQUEST:

Has WKG Storage Inc. invested in or purchased additional significant assets since inception, except for those purchased from Kentucky Pipeline and Storage Company Inc.? If so, please provide those assets, and the function they perform for the company.

RESPONSE:

WKG Storage, Inc. has not purchased any additional significant assets since it was acquired in 2001 from Kentucky Public Service and Storage Company, Inc. For a description of investments made, please see the Company's response to Staff DR No. 1-08.

Respondent: Joe Christian

**Case No. 2016-00053
WKG Storage, Inc.,
AG RFI Set No. 1
Question No. 1-09
Page 1 of 1**

REQUEST:

Has WKG Storage Inc. filed the necessary reports to the Kentucky Department of Revenue since its inception, pursuant to KRS 136.120, and KRS 136.130-136.140? If so, please provide these reports.

RESPONSE:

The statutes KRS 136.120, KRS 136.130, and KRS 136.140 are related to public service (state assessed) companies. While WKG Storage, Inc. is not a state assessed company, it does file annual property tax returns for the appropriate taxing jurisdictions for Tangible Personal Property [Form 61A500 (11-14)], Vehicles [Form 61A211(IP)(11-14)], and Consignee Tangible Personal Property [Form 61A500-C(11-14)]. Please see Attachment 1, Attachment 2 and Attachment 3 for these returns for 2015.

ATTACHMENTS:

ATTACHMENT 1 - WKG Storage, Inc., AG_1-09_Att1 - WKG Personal Property Return E Diamond.pdf, 5 Pages.

ATTACHMENT 2 - WKG Storage, Inc., AG_1-09_Att2 - KY 2015 Vehicle Return - WKG Storage, Inc..pdf, 2 Pages.

ATTACHMENT 3 - WKG Storage, Inc., AG_1-09_Att3 - WKG Storage Consignee TPP Tax Return.pdf, 1 Page.

Respondent: Joe Christian

62A500 (11-14)

Commonwealth of Kentucky
DEPARTMENT OF REVENUE
Office of Property Valuation
State Valuation Branch
Fourth Floor, Station 32
501 High Street
Frankfort KY 40601 2103

2015
**TANGIBLE PERSONAL
PROPERTY TAX RETURN**
Property Assessed January 1, 2015

FOR OFFICIAL USE ONLY	
County Code	Locator Number
T _____ / _____	_____

Due Date:
Friday May
15, 2015

MAY 2015						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

15

See pages 9 and 10 for a complete list of mailing addresses.

File this return with the PVA in the county of taxable situs or the Office of Property Valuation.

There is no filing extension for this return.

Social Security No. or Federal ID No.	Name of Business Western Kentucky Gas Storage		Organization/Inn <input type="checkbox"/> Individual	Type 1
2nd SSN if joint return	Name of Taxpayer(s) Atmos Energy Corporation	Telephone Number	<input type="checkbox"/> Joint (Co-Owners)	2
NAICS CODE	Mailing Address P.O. Box 650205	City or Town Dallas	<input type="checkbox"/> Partnership / LLP	3
Type of Business	State TX	ZIP Code 75265-0205	<input type="checkbox"/> Domestic Corp / LLC	4
Check if applicable	Property Location (Number and Street or Rural Route, City) East Diamond		<input type="checkbox"/> Foreign Corp. / LLC	5
Tangible Personal Property in other KY counties?	Property is Located in Hopkins	County	<input type="checkbox"/> Fiduciary / Bank	6
Alternative method of valuation?		District Code	<input type="checkbox"/> Fiduciary / Other	7
Final Return?		Type Return		

NOTE: Taxpayers who have property in more than one location must complete a separate form for each location.

FROM SCHEDULE A				FROM SCHEDULE B			
Class	Original Cost	Reported Value	For Official Use Only	Class	Original Cost	Reported Value	For Official Use Only
11 I				21 I			
12 II				22 II			
13 III				23 III			
14 IV				24 IV			
15 V				25 V			
16 VI				26 VI			
17 Total				27 Total			

SEE ATTACHED

See pages 3 through 5 for instructions.

	Taxpayer's Valuation	For Official Use Only
31 Merchants Inventory		
32 Manufacturers Finished Goods		
33 Manufacturers Raw Materials / Goods in Process		
34 Motor Vehicles Held for Sale (dealers only) New Farm Machinery Held Under a Floor Plan New Boats and Marine Equipment Held Under a Floor Plan Salvage Titled Vehicles (insurance companies only) Recreational Vehicles Held in a Retailer's Inventory Biotechnology Products Held in a Warehouse (manufacturers and affiliates only) Nonferrous Metal Located in a Commodity Warehouse and Held on Warrant		
35 Goods Stored in Warehouse / Distribution Center (see instructions)		
36 Inventory - In Transit (see instructions)		
37 Unmanufactured Tobacco Products not at Manufacturers Plant or in Hands of Grower or His Agent		
38 Other Unmanufactured Agricultural Products not at Manufacturers Plant or in Hands of Grower or His Agent		
39 Unmanufactured Agricultural Products at Manufacturers Plant or in Hands of Grower or his Agent / Industrial Revenue Bond Property Qualifying Voluntary Environmental Remediation Property		
40 Livestock and Farm Machinery / Fluidized Bed Energy Facilities		
41 Other Tangible Property (from Schedule C) (page 2)		
42 Activated Foreign Trade Zone		
43 Construction Work in Progress (manufacturing machinery)		
44 Construction Work in Progress (other tangible property)		
45 Recycling Machinery and Equipment		

SCHEDULE A

2015 Tangible Personal Property Subject to Full State and Local Rates

Factors change every year. Please use correct year factors.

Age	CLASS I Under 6.5 Year Economic Life		CLASS II 6.5 - 8.9 Year Economic Life		CLASS III 9 - 10.9 Year Economic Life	
	Original Cost	Factor	Original Cost	Factor	Original Cost	Factor
1	.860		.917		.936	
2	.711		.747		.798	
3	.562		.611		.682	
4	.419		.509		.545	
5	.271		.429		.427	
6	.200		.348		.345	
7	.200		.289		.387	
8	.200		.243		.340	
9	.200		.209		.306	
10	.200		.200		.270	
11	.200		.200		.248	
12	.200		.200		.219	
13	.200		.200		.200	
13+	.200		.200		.200	
Total						

Age	CLASS IV 11 - 13.4 Year Economic Life		CLASS V 13.5 - 17.4 Year Economic Life		CLASS VI Over 17.5 Year Economic Life	
	Original Cost	Factor	Original Cost	Factor	Original Cost	Factor
1	.873		.974		.974	
2	.657		.904		.904	
3	.495		.841		.841	
4	.407		.798		.798	
5	.379		.765		.765	
6	.341		.707		.707	
7	.314		.639		.668	
8	.292		.585		.639	
9	.274		.548		.626	
10	.266		.504		.608	
11	.253		.482		.601	
12	.237		.443		.578	
13	.217		.399		.544	
14	.200		.356		.507	
15	.200		.316		.470	
16	.200		.286		.445	
17	.200		.254		.413	
18	.200		.227		.385	
19	.200		.204		.362	
20	.200		.200		.340	
21	.200		.200		.326	
22	.200		.200		.310	
23	.200		.200		.292	
24	.200		.200		.274	
25	.200		.200		.258	
26	.200		.200		.245	
27	.200		.200		.239	
27+	.200		.200		.230	
Total						

Commonwealth of Kentucky
Tangible Personal Property Tax Return
Report Year: 2015

Western Kentucky Gas Storage

	<u>Cost</u>	<u>Rate</u>	<u>Reported Value</u>
<u>Class III</u>			
2012	27,902	0.682	19,029
2011	422,154	0.595	251,182
2009	31,289	0.445	13,924
2008	171,489	0.387	66,366
	<u>652,834</u>		<u>350,501</u>
<u>Class IV</u>			
2001	108,983	0.200	21,797
2000	1,144,996	0.200	228,999
	<u>1,253,979</u>		<u>250,796</u>
<u>Class VI</u>			
2012	49,475	0.841	41,608
2011	409,305	0.798	326,625
	<u>458,780</u>		<u>368,234</u>
Total	<u><u>2,365,592</u></u>		<u><u>969,530</u></u> ✓

61A211(IP)(11-14)
Commonwealth of Kentucky
DEPARTMENT OF REVENUE

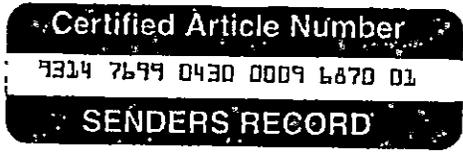
INSTRUCTIONS



FOR EDITING THE
PUBLIC SERVICE COMPANY
MOTOR VEHICLE PRINTOUT
January 1, 2015, assessment date

This information will be used by the Kentucky Department of Revenue, Office of Property Valuation, Public Service Branch, to ensure proper credit for motor vehicle assessed values on the taxpayer's 2015 tax year Notice of Assessment for Public Service Company. Companies that have listed vehicles with the Department of Revenue in prior years should find an enclosed computer generated printout showing previously reported licensed motor vehicles. To make any necessary corrections to the listing please comply with the following instructions.

WKG STORAGE, INC.
TEVYAN FRIEND-TAX DEPARTMENT
PO BOX 650205
DALLAS, TX 75265-0205



A. Person Completing Schedule TEVYAN FRIEND Title MANAGER OF PROPERTY TAX
Telephone Number (972) 855-3022

B. Does the company also file an IRP Apportioned Registration Application with the Kentucky Transportation Cabinet or with an agency in another state? Yes No.

If yes, the company KYU number is _____. Note that this Form 61A211 from the Public Service Branch should not be used to report your apportioned vehicle license plate numbers, but do report the KYU number, if applicable.

C. To delete vehicles from this printout, place the word "DELETE" next to the VIN number found on the printout.

Deletions will be required when the specific motor vehicle:

- is no longer owned and/or leased by your organization
- has been sold prior to January 1, 2015
- has been returned to the leasing company prior to January 1, 2015
- has been erroneously listed on the printout

D. To add newly purchased vehicles, newly leased vehicles, and/or any omitted motor vehicles to this printout, please prepare a schedule as shown below. List only those vehicles you wish to add. Please type or print clearly.

(1) Current Plate Year	(2) Current Plate Number	(3) If Leased (L)*	(4) Vehicle Identification Number	(5) Year/Make/Model

E. Return mail the computer generated printout, schedule of additions, and this instruction page on or before January 15, 2015 to:

Commonwealth of Kentucky
Department of Revenue
Office of Property Valuation
Public Service Branch
501 High Street, Fourth Floor, Station 32
Frankfort, Kentucky 40601-2103

WKG STORAGE, INC.
 Schedule of Owned Vehicles
 as of January 1, 2015

Owner Name	Address	City	State	Zip Code	Model Year	Make	Model	VIN	License Plate Number
WKG Storage, Inc.	123 W 4TH STREET SUITE 301	OWENSBORO	KY	42303	2000	FRGHT	FL70	1FUWHLBA7YHF47382	223974
WKG Storage, Inc.	123 W 4TH STREET SUITE 301	OWENSBORO	KY	42303	2009	TRLRX	TRAILER	4MNDP302491000393	660202
WKG Storage, Inc.	123 W 4TH STREET SUITE 301	OWENSBORO	KY	42303	2012	FORD	F250	1FT7X2B6XCEC58525	603893

62A500 - C (11-14)

Commonwealth of Kentucky
 DEPARTMENT OF REVENUE
 Office of Property Valuation
 State Valuation Branch
 Fourth Floor, Station J2
 501 High Street
 Frankfort KY 40601 2103

**CONSIGNEE TANGIBLE PERSONAL
 PROPERTY TAX RETURN**

(For Informational Purposes Only)

Property Assessed January 1, 2015

See pages 9 and 10 for a complete list
 of mailing addresses.

FOR OFFICIAL USE ONLY	
County Code	Locator Number
T	

Due Date:
 Friday
 May 15, 2015

15

MAY 2015						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Social Security No. or Federal ID No.	Name of Business WKG Storage, Inc.		
	Name of Consignee		Telephone Number 972-855-3022
2nd SSN if joint return	Mailing Address P.O. Box 650205		
Property is located in Hopkins County	City or Town Dallas		State TX
	Zip Code 75265		Property Location (Number and Street or Rural Route, City) (Must List)

If, on January 1, you have in your possession any consigned inventory or other items not owned by you, and have not been reported on Form 62A500, complete this return. File this return on or before May 15, 2015. Attach additional schedules if necessary.
 Note: Consignees who have property in more than one location must complete a separate form for each location.

Consignor Information	Consigned Inventory Information	
	Type	Value
Name of Consignor NOTHING TO REPORT Mailing Address City, State Zip Code	Merchants Inventory	
	Finished Goods	
	Raw Materials/Good in Process	
	Other	
Name of Consignor Mailing Address City, State Zip Code	Merchants Inventory	
	Finished Goods	
	Raw Materials/Good in Process	
	Other	

I declare, under the penalties of perjury, that this return (including any accompanying schedules and statements) is a correct and complete return; and that all property not owned by me but in my possession has been listed.

<u>Tevvan Friend</u> Signature of Consignee	<u>4/29/15</u> Date	_____ Email Address of Preparer Other Than Consignee	_____ Date
(972) 855-3022 Telephone Number	tevvan.friend@atmosenergy.com Email Address of Consignee	_____ Telephone Number	_____ Email Address of Preparer Other Than Consignee

Case No. 2016-00053
WKG Storage, Inc.
AG RFI Set No. 1
Question No. 1-10
Page 1 of 1

REQUEST:

Has WKG Storage Inc. filed documents such as annual reports, etc., with the Public Service Commission since its application for a CPCN to purchase Kentucky Pipeline and Storage Company Inc. until its application for an ARF? If so, please provide these filings and documents.

RESPONSE:

WKG Storage, Inc. has not filed those types of documents with the Public Service Commission since its application for a CPCN to purchase Kentucky Pipeline and Storage Company Inc. until its application for an ARF.

Respondent: Joe Christian

Case No. 2016-00053
WKG Storage, Inc.
AG RFI Set No. 1
Question No. 1-11
Page 1 of 1

REQUEST:

Has WKG Storage Inc. filed any reports with any regulatory body since its application for a CPCN to purchase Kentucky Pipeline and Storage Company Inc.? If so, please identify the type of filing, the date of filing and the regulatory body filed with.

RESPONSE:

WKG Storage Inc. has not been able to identify any reports filed with any regulatory body other than those filed before the Kentucky Department of Revenue and identified in the Company's response to AG DR No. 1-09.

Respondent: Joe Christian

Case No. 2016-00053
WKG Storage, Inc.
AG RFI Set No. 1
Question No. 1-12
Page 1 of 1

REQUEST:

Has WKG Storage earned a rate of return on its revenue derived from its relationship with Atmos since its purchase of Kentucky Pipeline and Storage Company Inc.? If so, what rate?

RESPONSE:

A rate of return is a profit on an investment over a period of time, expressed as a proportion of investment. By definition, WKG Storage, Inc. has earned a rate of return on the revenue it has received from Atmos Energy Corporation, net of expenses paid to provide service to Atmos Energy Corporation. However, no rate of return was ever determined for WKG Storage, Inc. by the Commission.

Respondent: Joe Christian

REQUEST:

Was Kentucky Pipeline and Storage Company providing the same services at the same rates to Atmos when it was purchased by WKG Storage?

RESPONSE:

No. At the time of acquisition, Kentucky Public Service and Storage Company, Inc. was not providing services to Atmos Energy Corporation.

Respondent: Joe Christian

**Case No. 2016-00053
WKG Storage, Inc.
AG RFI Set No. 1
Question No. 1-14
Page 1 of 1**

REQUEST:

How did WKG Storage come to determine the rate it currently charges to Atmos?

RESPONSE:

As stated in the Company's response to AG DR No. 1-03, the current rates that WKG Storage, Inc. charges Atmos Energy Corporation are discounted rates based on an arms-length negotiation between WKG Storage, Inc. and Atmos Energy Corporation in 2004.

Respondent: Joe Christian

Case No. 2016-00053
WKG Storage, Inc.
AG RFI Set No. 1
Question No. 1-15
Page 1 of 1

REQUEST:

Does WKG Storage intend to provide service or rates to any entity other than Atmos? If so, what process has WKG Storage taken to add more customers, and what documentation does WKG have to show this process is being undertaken? Please provide documentation if so.

RESPONSE:

WKG Storage, Inc. has not sought to add any intrastate customers since 97.22% of the working gas in its storage field has been contracted for. WKG Storage, Inc. has contemplated seeking a limited jurisdiction certificate from the Federal Energy Regulatory Commission to offer interruptible services to interstate customers, but to date no such filing has been made. Accordingly, WKG Storage, Inc. has not sought to add more customers since it does not have an approved rate or terms and conditions of service pursuant to which it could seek to serve interstate customers.

Respondent: Joe Christian

Case No. 2016-00053
WKG Storage, Inc.
AG RFI Set No. 1
Question No. 1-16
Page 1 of 1

REQUEST:

How much of WKG's storage capability is Atmos contracted to use? Please provide the total amount of WKG's storage capability and Atmos' demand for that storage over the past 5 years.

RESPONSE:

Atmos Energy Corporation has contracted for 97.22% of the working gas in WKG Storage, Inc.'s storage field. The total amount of WKG Storage, Inc.'s working gas is 1.8 Bcf. From WKG Storage, Inc.'s perspective, Atmos Energy Corporation's demand has remained constant at 1.75 Bcf for the past five years.

WKG Storage, Inc. understands that Atmos Energy Corporation's usage varies from year to year; what WKG Storage, Inc. believes to be Atmos Energy Corporation's storage injection and withdrawal plans for the last five years are included as Attachment 1.

ATTACHMENT:

ATTACHMENT 1 - WKG Storage, Inc., AG_ 1-16 _Att1 - 5-yr Supply Plan for E Diamond 4-7-2016.xlsx, 1 Page.

Respondent: Joe Christian

Atmos Energy Corporation - Kentucky
 East Diamond Storage - Gas Supply Seasonal Plans
 All Volumes MMBTU

	30 Apr-11		31 May-11		30 Jun-11		31 Jul-11		31 Aug-11		30 Sep-11		31 Oct-11		214 Total Monthly
	Monthly	Daily													
East Diamond Storage Injections	211,423	7,047	211,423	7,047	211,423	7,047	211,423	7,047	211,423	7,047	211,423	7,047	211,423	7,047	1,478,980

	30 Nov-11		31 Dec-11		31 Jan-12		29 Feb-12		31 Mar-12		152 Total Monthly
	Monthly	Daily	Monthly	Daily	Monthly	Daily	Monthly	Daily	Monthly	Daily	
East Diamond Storage Withdrawals	124,000	4,133	292,000	9,419	365,000	11,774	351,000	12,103	329,000	10,613	1,461,000

	30 Apr-12		31 May-12		30 Jun-12		31 Jul-12		31 Aug-12		30 Sep-12		31 Oct-12		214 Total Monthly
	Monthly	Daily													
East Diamond Storage Injections	0	0	181,142	5,843	181,142	6,038	181,142	5,843	181,142	5,843	181,142	6,038	181,142	5,843	1,088,854

	30 Nov-12		31 Dec-12		31 Jan-13		28 Feb-13		31 Mar-13		151 Total Monthly
	Monthly	Daily	Monthly	Daily	Monthly	Daily	Monthly	Daily	Monthly	Daily	
East Diamond Storage Withdrawals	124,000	4,133	292,000	9,419	365,000	11,774	351,000	12,536	329,000	10,613	1,461,000

	30 Apr-13		31 May-13		30 Jun-13		31 Jul-13		31 Aug-13		30 Sep-13		31 Oct-13		214 Total Monthly
	Monthly	Daily													
East Diamond Storage Injections	231,278	7,709	231,278	7,461	231,278	7,709	231,278	7,461	231,278	7,461	231,278	7,709	231,278	7,461	1,618,930

	30 Nov-13		31 Dec-13		31 Jan-14		28 Feb-14		31 Mar-14		151 Total Monthly
	Monthly	Daily	Monthly	Daily	Monthly	Daily	Monthly	Daily	Monthly	Daily	
East Diamond Storage Withdrawals	124,000	4,133	292,000	9,419	365,000	11,774	351,000	12,536	329,000	10,613	1,461,000

	30 Apr-14		31 May-14		30 Jun-14		31 Jul-14		31 Aug-14		30 Sep-14		31 Oct-14		214 Total Monthly
	Monthly	Daily													
East Diamond Storage Injections	203,850	6,785	203,858	6,578	203,850	6,795	203,856	6,578	203,856	6,578	203,850	6,785	203,856	6,578	1,428,974

	30 Nov-14		31 Dec-14		31 Jan-15		28 Feb-15		31 Mar-15		151 Total Monthly
	Monthly	Daily									
East Diamond Storage Withdrawals	0	0	200,000		300,000		496,000		360,000		1,356,000

	30 Apr-16		31 May-16		30 Jun-16		31 Jul-16		31 Aug-16		30 Sep-16		31 Oct-16		214 Total Monthly
	Monthly	Daily													
East Diamond Storage Injections	187,063	6,235	187,063	6,034	187,063	6,235	187,063	6,034	187,063	6,034	187,063	6,235	187,063	6,034	1,309,438

	30 Nov-15		31 Dec-16		31 Jan-16		29 Feb-16		31 Mar-16		152 Total Monthly
	Monthly	Daily									
East Diamond Storage Withdrawals	0	0	200,000		300,000		610,000		362,600		1,362,500

Case No. 2016-00053
WKG Storage, Inc.
AG RFI Set No. 1
Question No. 1-17
Page 1 of 1

REQUEST:

Does WKG provide any service outside of that provided by Kentucky Pipeline and Storage Company Inc.? If so, to what customers and at what rates? How were these rates sets?

RESPONSE:

WKG Storage, Inc. serves only one customer, Atmos Energy Corporation, at the contract rates previously described (\$122,500/month). Atmos Energy Corporation was not a customer of Kentucky Public Service and Storage Company, Inc. at the time of acquisition. As previously mentioned, the current rates that WKG Storage, Inc. charges Atmos Energy Corporation are discounted rates based on an arms-length negotiation between WKG Storage, Inc. and Atmos Energy Corporation in 2004.

Respondent: Joe Christian

**Case No. 2016-00053
WKG Storage, Inc.
AG RFI Set No. 1
Question No. 1-18
Page 1 of 1**

REQUEST:

Please provide the adoption notice pursuant to Administrative Regulation 807 KAR 5:011, ordered to be filed with the Commission in Case No. 2001-00235.

RESPONSE:

WKG Storage, Inc. has been unable to locate the adoption notice but believes that it was timely filed as the Public Service Commission received WKG Storage, Inc.'s tariff sheet and made it effective October 15, 2001.

Respondent: Joe Christian