

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF ATMOS ENERGY)
CORPORATION F/K/A WESTERN) CASE NO. 2003-00002
KENTUCKY GAS COMPANY)

O R D E R

On December 21, 1999, in Case No. 1999-00070, the Commission approved rates for Western Kentucky Gas Company (Western) and provided for their further adjustment in accordance with Western's gas cost adjustment (GCA) clause. On October 1, 2002, Western changed its name to Atmos Energy Corporation (Atmos).

On January 2, 2003, Atmos filed its proposed GCA to be effective February 1, 2003.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Atmos's notice includes revised rates designed to pass on to its sales customers its expected change in wholesale gas costs.

2. Atmos's expected gas cost (EGC) for firm sales customers is \$5.4967 per Mcf, an increase of 53.26 cents per Mcf from the previous EGC of \$4.9641. Atmos's EGC for both high load factor (HLF) firm customers and interruptible sales customers is \$4.6026 per Mcf, an increase of 41 cents per Mcf from the previous EGC of \$4.1926.

3. Atmos's notice sets out no current period refund factor (RF) for firm sales and HLF firm customers. The total refund factor of 16.69 cents per Mcf for firm sales and HLF firm customers, and 4.10 cents per Mcf for interruptible sales customers reflects adjustments from prior periods. Atmos's notice sets out a refund adjustment for T-2 firm transportation customers of 15.70 cents per Mcf and for T-2 interruptible transportation customers of 3.11 cents per Mcf.

4. Atmos's notice sets out a correction factor (CF) of 16.86 cents per Mcf, which is effective from February 1, 2003 until May 1, 2003. The CF is designed to collect under-recoveries of gas cost for the 3 months ended October 31, 2002.

5. Atmos's notice sets out a Performance Based Rate Recovery Factor (PBRF) of 7.47 cents per Mcf, which is effective from February 1, 2003 until February 1, 2004. This is an increase of 5.1 cents per Mcf from the previous PBRF.

6. Atmos's gas cost adjustments are \$5.5731 per Mcf for firm sales customers, \$4.6790 per Mcf for HLF firm customers and \$4.8049 per Mcf for interruptible sales customers. The impact on firm sales customers is an increase of 74.70 cents per Mcf from the previous gas cost adjustment of \$4.8261. The impact on HLF firm customers is an increase of 62.44 cents per Mcf from the previous gas cost adjustment of \$4.0546 and on interruptible sales customers is an increase of 62.44 cents per Mcf from the previous gas cost adjustment of \$4.1805.

7. The rates in the Appendix to this Order are fair, just and reasonable, in the public interest, and should be approved for final meter readings by Atmos on and after February 1, 2003.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for final meter readings on and after February 1, 2003.

2. Within 20 days of the date of this Order, Atmos shall file with the Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 29th day of January, 2003.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2003-00002 DATED January 29, 2003

The following rates and charges are prescribed for the customers in the area served by Atmos Energy Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

Applicable to: General Sales Service Rate G-1

Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be added an amount equal to: \$5.5731 per Mcf of gas used during the billing period.

Applicable to: HLF General Sales Service

Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be added an amount equal to: \$4.6790 per Mcf of gas used during the billing period.

Applicable to: Interruptible Sales Service Rate G-2

Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be added an amount equal to: \$4.8049 per Mcf of gas used during the billing period.