

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

MODIFICATIONS OF ATMOS ENERGY)
CORPORATION'S GAS COST ADJUSTMENT)
TO INCORPORATE PERFORMANCE-BASED) CASE NO. 2005-00321
RATEMAKING MECHANISM (PBR))

FIRST DATA REQUEST OF COMMISSION STAFF TO
ATMOS ENERGY CORPORATION

Atmos Energy Corporation ("Atmos"), pursuant to 807 KAR 5:001, is requested to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due no later than September 22, 2005. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the person who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information herein has been previously provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. Refer to page 2 of Atmos's petition and Exhibit B, the proposed tariff. Atmos has requested that the Commission extend the current Performance-Based Ratemaking mechanism ("PBR") for two months.

a. The proposed tariff in Exhibit B, which has an effective date of April 1, 2006, appears to incorporate the changes proposed in the application. Clarify whether Atmos intends that the proposed modifications to the PBR be effective April 1, 2006, or whether the request to extend the current PBR to June 1, 2006 applies to the PBR mechanism as it currently exists.

b. Atmos requested that the current PBR be extended to June 1, 2006 in order to coincide with the expiration of its current asset management agreement. Describe how far along in the process Atmos is in developing a request for proposals (“RFP”) for a new asset management agreement.

c. Atmos’s existing asset management agreement has a term which expires June 1, 2006. Assuming it pursues a new asset management agreement, when does Atmos expect to seek Commission approval of such an agreement?

d. Explain whether it is Atmos’s intent to issue an RFP for a new asset management agreement while this case is pending or if it intends to wait and issue such an RFP after this case has been decided.

2. Refer to page 10 of Atmos’s report on its PBR for the period April 2002 – March 2005 (“PBR report”). Atmos proposes to incorporate a new component, the Gas Acquisition Index Factor for Asset Management (“GAIFAM”).

a. Provide an example of a supplier discount that the GAIFAM would include.

b. Explain how this type of discount is currently incorporated into Atmos’s rates.

3. Refer to page 11 of the PBR report where Atmos proposes to decrease the Percentage of Total Actual Gas Supply Costs ("PTAGSC") threshold from 2 percent to 1 percent.

a. Explain in detail why the level of NYMEX settle prices for natural gas should impact the threshold percentage.

b. Provide the NYMEX settle prices for "the most recent twelve months" and for calendar year 2002, both of which are referenced in Atmos's discussion for why the PTAGSC threshold should be lowered.

4. Did Atmos consider requesting that the PBR be made permanent as part of its filing? Explain the response in detail.



Beth O'Donnell
Executive Director
Public Service Commission
P. O. Box 615
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DATED September 7, 2005

cc: All Parties

