

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF ATMOS) CASE NO. 2008-00362
ENERGY CORPORATION)

O R D E R

On July 31, 2007, in Case No. 2006-00464,¹ the Commission approved rates for Atmos Energy Corporation ("Atmos") and provided for their further adjustment in accordance with Atmos's Gas Cost Adjustment ("GCA") clause.

On August 29, 2008, Atmos filed an interim GCA to be effective October 1, 2008.

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 \$9.6765 per Mcf, a decrease of \$5.2434 per Mcf from the previous EGC of \$14.9199. Atmos's EGC for interruptible sales customers is \$8.7675 per Mcf, a decrease of \$5.2434 per Mcf from the previous EGC of \$14.0109.

3. Atmos's notice sets out no current period Refund Factor ("RF"). The total RF is \$0 per Mcf for firm sales customers and \$0 per Mcf for interruptible sales customers, and represents no change from the prior RF. Atmos's notice sets out no RF

¹ Case No. 2006-00464, Application of Atmos Energy Corporation for an Adjustment of Rates.

for T-2 firm transportation customers, T-2 interruptible service, T-3 carriage Service, and T-4 firm carriage service.

4. Atmos's notice sets out a Correction Factor ("CF") of \$.6510 per Mcf, which represents no change from the previous CF.

5. Atmos's notice sets out a Performance Based Rate Recovery Factor of \$.0969 per Mcf, which is effective from February 1, 2008 until February 1, 2009.

6. Atmos's GCAs are \$10.4244 per Mcf for firm sales customers and \$9.5154 for interruptible sales customers. The impact on firm sales customers is a decrease of \$5.2434 per Mcf from the previous GCA of \$15.6678. The impact on interruptible sales customers is a decrease of \$5.2434 per Mcf from the previous GCA of \$14.7588.

7. The rates in the Appendix, attached hereto and incorporated herein, are fair, just and reasonable, and should be approved for final meter readings by Atmos on and after October 1, 2008.

IT IS THEREFORE ORDERED that:

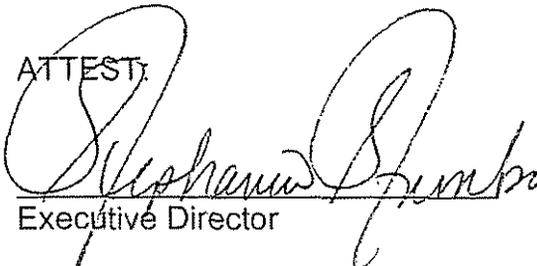
1. The rates in the Appendix to this Order are approved for final meter readings on and after October 1, 2008.

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 16th day of September, 2008.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00362 DATED SEPTEMBER 16, 2008

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 the 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: \$10.4244 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: \$9.5154 per Mcf of gas used during the billing period.