

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF ATMOS) CASE NO. 2008-00407
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 September 30, 2008, Atmos filed a GCA to be effective November 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 \$10.3925 per Mcf, an increase of \$.7160 per Mcf from the previous EGC of \$9.6765. Atmos's EGC for interruptible sales customers is \$9.4855 per Mcf, an increase of \$.7180 per Mcf from the previous EGC of \$8.7675.

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 \$.5093 per Mcf, which is a decrease of \$.1417 per Mcf from the previous CF of \$.6510 per Mcf.

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 \$10.9987 per Mcf for firm sales customers and \$10.0917 for interruptible sales customers. The impact on firm sales customers is an increase of \$.5743 per Mcf from the previous GCA of \$10.4244. The impact on interruptible sales customers is an increase of \$.5763 per Mcf from the previous GCA of \$9.5154.

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 November 1, 2008.

IT IS THEREFORE ORDERED that:

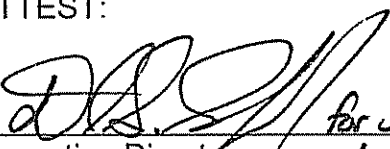
1. The rates in the Appendix to this Order are approved for final meter readings on and after November 1, 2008.

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 17th day of October, 2008.

By the Commission

ATTEST:


Executive Director *for Stephanie Stumbo*
in presence

Case No. 2008-00407

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00407 DATED OCTOBER 17, 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 schedule there shall be added an amount equal to: \$10.9987 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 schedule there shall be added an amount equal to: \$10.0917 per Mcf of gas used during the billing period.