

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF ATMOS ENERGY CORPORATION)	CASE NO.
FOR AN ADJUSTMENT OF RATES)	2009-00354

ORDER

On March 12, 2010, Atmos Energy Corporation ("Atmos") and the Attorney General of the Commonwealth of Kentucky ("Attorney General") (jointly referred to as "Parties") filed a Stipulation and Recommendation ("Stipulation") setting forth a resolution of all issues in this proceeding to their mutual satisfaction. In addition, the Parties filed a joint motion to reschedule the hearing presently set for May 11, 2010 to the earliest possible date. The Parties state in support of their motion that the need for a lengthy hearing has been eliminated by the Parties' resolution of all outstanding issues and their agreement to waive cross-examination of witnesses. The Parties further state that they have agreed that Atmos should be allowed to place the agreed rates into effect no later than June 1, 2010 and that an earlier hearing date would facilitate that provision.

The Commission, having reviewed the Stipulation and the joint motion and being otherwise sufficiently advised, finds that:

1. Due to scheduling conflicts, the Commission is unable to grant the Parties' motion to reschedule the hearing and that the formal hearing should proceed as scheduled on May 11, 2010.

2. The Parties should file testimony to support the reasonableness of the Stipulation.

3. The Parties should be required to file responses to the data requests appended hereto.

IT IS THEREFORE ORDERED that:

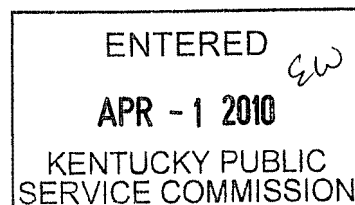
1. The joint motion to reschedule the hearing is denied and the formal hearing shall proceed as previously scheduled.

2. On or before April 14, 2010, the Parties shall file testimony in verified form to support the reasonableness of the Stipulation.

3. On or before April 14, 2010, the Attorney General shall file responses to the data requests appended hereto as Appendix A and Atmos shall file responses to the data requests appended hereto as Appendix B.

4. Atmos shall give notice of the hearing in accordance with the provisions set out in 807 KAR 5:011, Section 8(5). At the time publication is requested, Atmos shall forward a duplicate of the notice and request to the Commission.

By the Commission



ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2009-00354, DATED **APR - 1 2010**

1. Refer to page 2, numerical paragraph 5 of the Stipulation and Recommendation (“Stipulation”).

a. Explain whether numerical paragraph 5 of the Stipulation is a material term of the agreement.

b. Explain whether it is the Attorney General's position that the Commission has the authority to approve numerical paragraph 5 of the Stipulation and if so, provide the authority.

c. Explain whether the reimbursement referenced in numerical paragraph 5 of the Stipulation is required to be credited to the general fund.

2. There is currently proposed legislation, House Bill 290, that would permit the Attorney General to recover reasonable costs of litigation. As this bill has not been enacted into law and since the Attorney General intervenes in Commission proceedings on behalf of consumer interests under authority of KRS 367.150 and not on behalf of the Commonwealth of Kentucky pursuant to KRS 48.005, provide the authority under which the Attorney General is currently permitted reimbursement of litigation costs.

3. Provide a detailed schedule of litigation expenses incurred to date specifically for this case, including, but not limited to the following:

a. Accounting;

b. Engineering;

c. Legal;

- d. Consultants; and
- e. Other expenses (identify separately).

For each category, the schedule should include the date of each transaction, the vendor, the hours worked, the rates per hour, the amount, and a description of the services performed.

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2009-00354, DATED **APR - 1 2010**

1. Refer to page 2, numerical paragraph 3 of the Stipulation. Among other things, it states that the Pipeline Replacement Program ("PRP") is to be implemented as proposed. Refer also to the response to Item 4 of the Commission Staff's Second Data Request ("Staff's Second Request"). The last sentence in part b. of the response, regarding the PRP rider, reads, "If it is the Commission's preference, the Company does not object to showing the charges associated with this rider on the customer's bill." If the Commission required the cost of the PRP to be shown separately on customers' bills, explain whether that would cause Atmos to withdraw from the Stipulation.

2. Refer to the responses to Items 2 and 24 of the Staff's Second Request. The first deals with the 12-month period used as the forecasted test period; and the second deals with the effective date and implementation date of the PRP rider. The forecasted test period is the 12 months from April 2010 through March 2011. However, based on the proposed effective date in the tariffs in Atmos's application, the first 12 months immediately following suspension would be from June 2010 through May 2011. Given the two-month difference between the forecasted test period and the first 12 months in which Atmos's new rates will likely be in effect, explain whether the implementation date for the PRP rider should be April 1, 2011 or June 1, 2011.

3. Refer to page 2, numerical paragraph 5 of the Stipulation and Recommendation ("Stipulation").

a. Explain whether numerical paragraph 5 of the Stipulation is a material term of the agreement.

b. Explain whether it is Atmos's position that the Commission has the authority to approve numerical paragraph 5 of the Stipulation and if so, provide the authority.

Honorable Dennis G Howard II
Assistant Attorney General
Office of the Attorney General Utility & Rate
1024 Capital Center Drive
Suite 200
Frankfort, KY 40601-8204

Honorable John N Hughes
Attorney at Law
124 West Todd Street
Frankfort, KY 40601

Mark R Hutchinson
Wilson, Hutchinson & Poteat
611 Frederica Street
Owensboro, KY 42301

Honorable Douglas Walther
Associate General Counsel
Atmos Energy Corporation
P.O. Box 650205
Dallas, TX 75265-0205