COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF ATMOS ENERGY CORPORATION

CASE NO. 2012-00287

<u>O R D E R</u>

On May 28, 2010, in Case No. 2009-00354,¹ 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 June 29, 2012, Atmos filed its GCA to be effective August 1, 2012.

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 \$4.4077 per Mcf, an increase of \$.4153 per Mcf from the previous EGC of \$3.9924 per Mcf. Atmos's EGC for interruptible sales customers is \$3.3920 per Mcf, an increase of \$.4153 per Mcf from the previous EGC of \$2.9767 per Mcf.

3. Atmos's notice sets out a current quarter Refund Factor ("RF") of (\$.0251) per Mcf for firm and interruptible sales customers. Atmos's total RF is (\$.0462) per Mcf, which represents a decrease of \$.0179 per Mcf from its prior RF of (\$.0283) per Mcf.

¹ Case No. 2009-00354, Application of Atmos Energy Corporation for an Adjustment of Rates (Ky. PSC May 28, 2010).

4. Atmos's notice sets out a Correction Factor ("CF") of (\$.3791) per Mcf, which represents a decrease of \$.4106 per Mcf from the previous CF of \$.0315 per Mcf.

5. Atmos's notice sets out its Performance Based Rate Recovery Factor of \$.1302 per Mcf, which is effective from February 1, 2012 until February 1, 2013.

6. Atmos's GCAs are \$4.1126 per Mcf for firm sales customers and \$3.0969 per Mcf for interruptible sales customers. The impact on firm sales customers is a decrease of \$.0132 per Mcf from the previous GCA of \$4.1258 per Mcf. The impact on interruptible sales customers is a decrease of \$.0132 per Mcf from the previous GCA of \$3.1101 per Mcf.

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 August 1, 2012.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for final meter readings on and after August 1, 2012.

2. Within 20 days of the date of this Order, Atmos shall file its revised tariff sheets with this Commission setting out the rates authorized herein and reflecting that they were approved pursuant to this Order.

Case No. 2012-00287

-2-

By the Commission ENTERED / JUL 3 0 2012 KENTUCKY PUBLIC SERVICE COMMISSION

Commissioner Breathitt is abstaining from this proceeding.

ATTE Executive Director

Case No. 2012-00287

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2012-00287 DATED JUL 3 0 2012

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: \$4.1126 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: \$3.0969 per Mcf of gas used during the billing period. Honorable Mark R Hutchinson Attorney at Law 611 Frederica Street Owensboro, KENTUCKY 42301