

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

OFFICE OF THE ATTORNEY GENERAL
COMMONWEALTH OF KENTUCKY

: Case No. 2005-00057

Complainant

v.

ATMOS ENERGY CORPORATION

Respondent

RECEIVED

MAR 14 2006

PUBLIC SERVICE
COMMISSION

ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

Comes now the Complainant, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits this Initial Request for Information to Atmos Energy Corporation [hereinafter: "AEC"] to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

(2) Please identify the witness who will be prepared to answer questions concerning each request.

(3) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional

information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(4) If any request appears confusing, please request clarification directly from the Office of Attorney General.

(5) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(6) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self evident to a person not familiar with the printout.

(7) If AEC has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

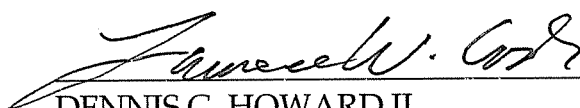
(8) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(9) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer;

and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

Respectfully submitted,

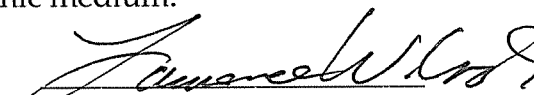
GREGORY D. STUMBO
ATTORNEY GENERAL



DENNIS G. HOWARD II
ELIZABETH B. BLACKFORD
DAVID EDWARD. SPENARD
LAWRENCE W. COOK
ASSISTANT ATTORNEYS GENERAL
1024 CAPITAL CENTER DRIVE, SUITE 200
FRANKFORT KY 40601-8204
T (502) 696-5453
F (502) 573-8315

Notice of Serving and Filing in Paper and Electronic Medium

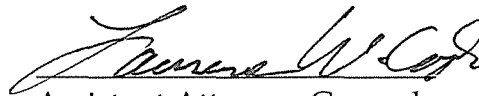
Per Instruction 2 (d) of the Commission's 3 March 2006 Order, Counsel submits for filing, by hand delivery to Beth O'Donnell, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601, the original and five copies of the document in paper medium. Counsel also submits a copy of the document in electronic medium by e-mailing the document to pscfilings@ky.gov and Beth.O'Donnell@ky.gov. 14 March 2006 is the date for the filing and service in paper and electronic medium.



Assistant Attorney General

Certificate of Service

Per Instructions 2 (d) and 8 the 3 March 2006 Order, Counsel certifies service of a true and correct photocopy of the document by mailing the photocopy, first class postage prepaid, to the following: John N. Hughes, 124 West Todd Street, Frankfort, Kentucky 40601; Mark R. Hutchinson, Wilson, Hutchinson & Poteat, 611 Frederica Street, Owensboro, Kentucky 42301; William J. Senter, Atmos Energy Corporation, 2401 New Hartford Road, Owensboro, Kentucky 42303-1312, Gary L. Smith, Atmos Energy Corporation, 2401 New Hartford Road, Owensboro, Kentucky 42303-1312; and Douglas Walther, Atmos Energy Corporation, 2401 New Hartford Road, Owensboro, Kentucky 42303-1312. Counsel further certifies, per Instructions 2 (e) and 9, service of an electronic version of the document by electronic mail to the following: jnhughes@fewpb.net; randy@whplawfirm.com; gary.smith@atmosenergy.com; and douglas.walther@atmosenergy.com. Service was made this 14th day of March 2006.


Assistant Attorney General

**Attorney General's Initial Request for Information
to Atmos Energy Corporation
Case Number 2005-00057**

1. With regard to AEC-KY's Quarterly (rolling 12-month) ROE reports sent to the PSC, please provide the following information:
 - a. Complete copies of the Quarterly ROE reports for each quarter from 9/30/01 through 9/30/05. In addition, provide accompanying workpapers showing the calculations and calculation components in support of the Quarterly ROE numbers.
 - b. Indicate when the Quarterly ROE report for 12/31/05 will be available, and provide a complete copy of this report as soon as it has become available.
2. Please provide the Atmos Energy Corporation's Form 10-K reports for the fiscal years ended 9/30/04 and 9/30/05.
3. Please provide the "Kentucky-Only" FERC Form 2 reports for the years ended 12/31/04 and 12/31/05 (once available). In addition, indicate when the 2005 FERC Form 2 will become available.
4. Please provide prospectuses of AEC's most recent stock or bond offerings.
5. Please provide AEC's Quarterly Report to the Stockholders for the last quarter of 2005. If the 12/05 Quarterly Report is not yet available, indicate when this will become available and provide a copy as soon as it is available.
6. Please provide AEC's Monthly Managerial reports for each month in the test year and for all available months after September 2005.
7. Please provide AEC's consolidating balance sheets for the months of September 2002, 2003, 2004, for each month of the test year ended September 2005 and for each available month after September 2005.
8. In the same format and detail as AEC-KY's response to FR 10(9)(h)11 in Case No. 99-070, provide AEC's actual monthly capital structure for each month of the test year and the available actual months after September 2005, the fiscal year prior to the test year and as projected for fiscal years 2006 and 2007.

9. Please provide the following information:
 - a. AEC's consolidated embedded cost of long-term debt for the test year ended 9/30/05 and as of 12/31/05. In addition, provide worksheets showing the derivation of these embedded cost of long-term debt numbers.
 - b. AEC's consolidated embedded cost of preferred stock for the test year ended 9/30/05 and as of 12/31/05. In addition, provide worksheets showing the derivation of these embedded cost numbers.
 - c. AEC's average monthly costs of short-term debt for each month of the test year and for all available months after September 2005.
10. Please provide a detailed Trial Balance as of 9/30/05 for AEC-KY, showing income statement¹ and balance sheet accounts by detailed FERC account numbers and descriptions.
11. Please provide the Monthly Statements of Income (for AEC-KY) for the months of December 2002, 2003, 2004 and 2005; for each month in the test year ended 9/30/05; and for the available months after 9/30/05. In addition, continue to update the response to this request as additional actual Monthly Statements of Income become available.
12. Please provide the Monthly Balance Sheet statements (for AEC-KY) for the months of December 2002, 2003, 2004 and 2005; for each month in the test year ended 9/30/05; and for the available months after 9/30/05. In addition, continue to update the response to this request as additional actual Monthly Balance Sheet statements become available.
13. Please provide a complete copy of AEC-KY's current tariff.
14. Are the normalized HDD that form the basis for the Company's current PSC-approved WNA tariff the 30-year NOAA Normals for 1960-1989? If not, provide the correct normalized HDD basis.
15. Please provide the following information:
 - a. AEC-KY's capital construction budgets for fiscal years 2003, 2004, 2005, 2006 and 2007.
 - b. A comparison between AEC-KY's actual fiscal year 2003, 2004 and 2005 construction expenditures versus the construction budgets for

¹ All income statement accounts should show activity for 12 months.

the corresponding years and provide explanations for any major variances.

16. Please provide the following information:
 - a. In the same format as per FR10(9)(d) in Case No. 99-070, provide AEC-KY's Annual and monthly budgeted income statement for the test year ended 9/30/05, and the 12-month period prior to the test year and the 12-month period following the test year.
 - b. A comparison between AEC-KY's actual annual and monthly income statement for the test year ended 9/30/05 and the 12-month period prior to the test year versus the annual and monthly budgeted income statements for the corresponding fiscal years, including explanations for any major variances.

17. Please provide the following information:
 - a. In the same format and detail as per FR 10(9)(h)1 in Case No. 99-070, provide AEC-KY's actual annual operating income statements for fiscal years 1999 through 2003 and as forecasted for fiscal years 2006 and 2007.
 - b. A comparison between AEC-KY's actual annual operating income statements for fiscal years 1999 through 2003 versus AEC-KY's budgeted annual operating income statements for the corresponding fiscal years, including explanations for any major variances.

18. Please provide the following information:
 - a. In the same format and detail as per FR 10(9)(h)2 in Case No. 99-070, provide AEC-KY's actual annual balance sheets for fiscal years 1999 through 2005 and as forecasted for fiscal years 2006 and 2007.
 - b. A comparison between AEC-KY's actual annual balance sheets for fiscal years 1999 through 2005 versus AEC-KY's budgeted balance sheets for the corresponding fiscal years, including explanations for any major variances.

19. Please provide AEC-KY's actual monthly number of employees for fiscal years 2003, 2004, and the 2005 test year, as well as projected monthly number of employees for fiscal years 2006 and 2007. Provide the monthly employee levels in total and as broken out by major employee category.

20. Please provide AEC-KY's actual annual salary/wage increases (by major employee category) granted in fiscal years 2003, 2004 and the 2005 test year, as well as the projected salary/wage increases (by major employee category) for fiscal year 2006 and 2007. In addition, provide the basis for the projected wage/salary increases.
21. In the same format and detail as per FR 10(9)(h)14 in Case No. 99-070, provide AEC-KY's actual monthly number of customers for the test year, the fiscal year prior to the test year and as projected for fiscal years 2006 and 2007.
22. In the same format and detail as per FR 10(8)(f) in Case No. 99-070, provide a reconciliation of AEC-KY's test year jurisdictional rate base and capitalization.
23. Please explain whether, historically, AEC-KY's rates in its prior rate cases were set based on using rate base or capitalization as the valuation base (i.e., were rates set based on applying the authorized overall rate of return to the Company's rate base or the Company's capitalization?).
24. In the same detail and format as shown on FR10(10)(b)1 in Case No. 99-070, please provide a summary of AEC-KY's rate base based on (1) actual balances as of 9/30/05,² and (2) pro forma adjusted 9/30/05 balances in case there are appropriate reasons for the actual 9/30/05 rate base balances to be adjusted for ratemaking purposes.
25. In the same detail and format as shown on FR10(10)(b)2, FR10(10)(b)2.1, FR10(10)(b)2.2 and FR10(10)(b)2.3 in Case No. 99-070, please provide details of AEC-KY's actual 9/30/05 plant in service balances by major property grouping; by accounts and sub-accounts; and by jurisdictional gross additions, retirements and transfers. Provide this information for the actual plant in service balances as of 9/30/05, as well as for the pro forma adjusted 9/30/05 balances in case there are appropriate reasons for the actual 9/30/05 rate base balances to be adjusted for ratemaking purposes. In addition, provide information explaining any pro forma plant in service adjustments.
26. In the same detail and format as shown on FR10(10)(b)3 in Case No. 99-070, please provide details of AEC-KY's actual 9/30/05 jurisdictional accumulated depreciation and amortization balances by accounts and sub-

² However, the M&S, prepayment and gas stored underground balances should be the test year 13-month average balances

accounts. Provide this information for the actual reserve balances as of 9/30/05, as well as for the pro forma adjusted 9/30/05 balances in case there are appropriate reasons for the actual 9/30/05 reserve balances to be adjusted for ratemaking purposes. In addition, provide information explaining any pro forma reserve adjustments.

27. In the same detail and format as shown on FR10(10)(b)3.2 in Case No. 99-070, please provide AEC-KY's test year pro forma jurisdictional depreciation expenses calculated based on the test year-end plant in service balances. Similar to FR10(10)(b)3.2, show detailed plant balances, currently authorized depreciation rates and associated depreciation expenses.
28. In the same detail and format as shown on FR10(10)(b)4, FR10(10)(b)4.1 and FR10(10)(b)4.2 in Case No. 99-070, please provide AEC-KY's test year Allowance for Working Capital summary; 13-month average test year M&S, Prepayment and Gas Stored Underground balances; and test year cash working capital details.
 - a. In addition, show the actual M&S, prepayment and Gas Stored Underground balances for each month underlying the 13-month average test year balances.
29. In the same detail and format as shown on FR10(10)(b)5 in Case No. 99-070, please provide AEC-KY's test year actual 9/30/05 deferred credit and accumulated deferred income tax balances in total and broken out by Divisions 09 and 02.
30. In the same detail and format as shown on FR10(10)(c)1 in Case No. 99-070, please provide AEC-KY's test year Operating Income Summary based on (1) actual unadjusted per books test year income data, and (2) pro forma adjusted test year income data reflecting all appropriate income adjustments to be made for ratemaking purposes.

The test year operating income ratemaking adjustments should include, for example, adjustments for weather normalization; test year-end customer revenue adjustment; interest synchronization adjustment; removal of certain expenses to reflect KPSC ratemaking policy, such as expenses for lobbying, promotional and institutional advertising, contributions, employee parties and gifts; appropriate expense normalization adjustments, etc.

31. In the same detail and format as shown on FR10(10)(c)2 in Case No. 99-070, please provide, in total and by net operating income component, AEC-KY's actual test year unadjusted per books net operating income; all Shared Services ("SSU") billing adjustments; the resulting adjusted net operating income; all ratemaking adjustments; and the resulting final pro forma adjusted test year net operating income.
32. In the same detail and format as shown on FR10(10)(c)2.1 in Case No. 99-070, please provide AEC-KY's operating revenues, expenses and net operating income by FERC USOA account for (1) the test year unadjusted per books net operating income; and (2) the test year final pro forma adjusted net operating income (adjusted for all SSU billing adjustments and ratemaking adjustments).
33. In the same detail and format as shown on FR10(10)(c)2.2 in Case No. 99-070, please provide AEC-KY's test year monthly operating income by FERC USOA account for the test year unadjusted per books net operating income.
34. Please provide narrative explanations and supporting schedules and workpapers showing calculations and other relevant details for each pro forma test year SSU net operating income adjustment.
35. Please provide narrative explanations and supporting schedules and workpapers showing calculations and other relevant details for each pro forma test year ratemaking adjustment.
36. Please provide schedules showing AEC-KY's actual per books test year state and federal current and deferred income taxes and investment tax credits. These schedules should show all detailed taxable income components, all tax calculations and a reconciliation between test year book and test year book net income and federal taxable income.
37. In the same detail and format as shown on FR10(10)(e) in Case No. 99-070, please provide AEC-KY's Computation of State and Federal Income Tax for (1) the unadjusted per books test year income taxes; and (2) the final pro forma adjusted test year income taxes (including the reflection of interest synchronization).
38. In the same detail and format as shown on FR10(10)(f) in Case No. 99-070, please provide the following information for (1) AEC-KY's unadjusted per books test year results, and (2) AEC-KY's final pro forma adjusted test year results:

Schedule F-1 – Membership Dues – Social & Service Clubs
Schedule F-2.1 – Charitable Contributions
Schedule F-2.2 – Initiation Fees/Country Club Expenses
Schedule F-2.3 – Employee Expenses
Schedule F-3 – Customer Service, Informational Sales and General Advertising
Schedule F-4 – Advertising
Schedule F-5 – Professional Service Expense
Schedule F-6 – Rate Case Expense
Schedule F-7 – Civic, Political and Related Activities

39. In the same format and detail as shown on FR10(10)(g), Schedule G-1 in Case No. 99-070, please provide AEC-KY's payroll cost, employee benefits and payroll tax information included in the unadjusted per books test year results and in the final pro forma adjusted test year results.
40. In the same format and detail as shown on FR10(10)(g), Schedule G-2 in Case No. 99-070, please provide AEC-KY's payroll, employee benefits, payroll tax and employee level analysis data for each of the fiscal years 2000 through 2004, for the unadjusted per books test year ended 9/30/05, and for the pro forma adjusted test year ended 9/30/05.
41. In the same format and detail as shown on FR10(10)(h), in Case No. 99-070, please provide the computation and computation components of AEC-KY's gross revenue conversion factor for the test year ended 9/30/05.
42. In the same format and detail as shown on FR10(10)(i)1, FR10(10)(i)2, and FR10(10)(i)3 in Case No. 99-070, please provide -- for the fiscal years 2000 through 2004, for the unadjusted per books test year ended 9/30/05, the pro forma adjusted test year ended 9/30/05, and as projected for fiscal years 2006 and 2007 – AEC-KY's Comparative Income Statements (Schedule I-1), Comparative Revenue Statistics (Schedule I-2), and Comparative Sales Statistics (Schedule I-3).
43. In the same detail and format as shown on FR10(10)(j) in Case No. 99-070, please provide the following information for (1) AEC-KY's unadjusted per books test year results, and (2) AEC-KY's final pro forma adjusted test year results:
Schedule J-1 – Cost of Capital Summary
Schedule J-1.1 – Average Capital Structure
Schedule J-2 – Embedded Cost of Short Term Debt
Schedule J-3 – Embedded Cost of Long Term Debt

Schedule J-4 – Embedded Cost of Preferred Stock

44. Similar to the Company's response to FR10(10) Workpapers in Case No. 99-070, please provide all workpapers in support of the FR10(10) schedules to be provided in response to the foregoing FR10(10) related requests.
45. With regard to AEC-KY's OPEB funding practices, please provide the following information:
 - a. What portion of the total actuarially determined annual OPEB liability for AEC-KY is being funded and is this being funded internally or externally in a protected trust account?
 - b. What is the Company's treatment for the difference between the total actuarially determined annual OPEB liability and the annual OPEB being funded and in which account (account number and title) is this difference being recorded and accumulated? In addition, provide the balances in this account for each month in fiscal years 2003, 2004 and 2005 and for each available month after 9/30/05.
 - c. In Case No. 99-070, did the Company's rate filing include FAS 106 OPEB accruals in the cost of service for ratemaking purposes in that case?
46. Provide the balance in each current asset and current liability account and subaccount for AEC-KY from 9/04 through 9/05, including the 13-month average for the test year.
47. Provide the monthly balances for AEC-KY's materials and supplies and prepayments from 9/04 through 9/05, in total and as broken out by detailed M&S and prepayment components, including the 13-month average for the test year.
48. With regard to AEC-KY's CWIP balances and AFUDC income, please provide the following information:
 - a. Monthly CWIP balances for each month of the test year. In addition, provide a breakout of these monthly CWIP balances between CWIP subject to AFUDC accruals and CWIP not subject to AFUDC accruals.
 - b. Explanation for the reasons why certain portions of the Company's CWIP accrues AFUDC income and other portions do not.

- c. Description of the Company's AFUDC rate(s) in effect during the test year and a worksheet showing the calculations and calculation components of this AFUDC rate(s).
 - d. AEC-KY's test year AFUDC income, in total and as broken out between equity and debt AFUDC.
 - e. Explain the income tax treatments of the Company's equity and debt AFUDC income.
49. Provide a worksheet showing side-by-side comparisons of all of AEC-KY's actual per books O&M expenses, in total and by detailed FERC USOA O&M expense account, for each of the fiscal years 2001 through 2005.
50. Provide a worksheet showing side-by-side comparisons of all of AEC-KY's actual per books Taxes Other Than Income Taxes, in total and by detailed tax account, for each of the fiscal years 2001 through 2005.
51. Describe how the test year capitalization rate was determined. If differing rates were used for specific expenses (i.e., payroll, clearing accounts, depreciation, etc.) indicate the rate and how it was determined.
52. Please provide a detailed analysis of all charges booked during the test year for advertising expenditures. This analysis should show all expense accounts (by FERC account number) that include advertising expenses and should include a complete breakdown and description of purpose of the advertising expenses in each of these expense accounts. In addition, identify those advertising expenses that are "promotional" and/or "institutional" in nature.
53. Please provide a detailed analysis of Account No. 930 – Miscellaneous General expenses for the test year. Include a complete breakdown of this account and provide detailed workpapers supporting this analysis. At a minimum, the workpapers should show the date, vendor, reference, dollar amount, and brief description of each expenditure of \$500 or more.
54. Provide a detailed analysis of all expenses incurred and booked in the test year for professional services (legal, engineering, accounting, other consulting services) and all workpapers supporting the analysis. At a minimum, the workpapers should show the payee, dollar amount, reference (e.g., voucher no.) account charged, and a description of the services provided.
55. Provide a detailed analysis of contributions for charitable and political purposes (in cash or services), if any, recorded in accounts other than

Account 426. Show the amount of the expenditure, the recipient of the contribution, and the specific account charged.

56. Describe AEC-KY's lobbying activities and provide a schedule showing the name, total test year compensation, affiliation, all reimbursed expenses or allowances, and the account charges for each individual whose principal function is lobbying on the local, state or national level. If any amounts are allocated, show a calculation of the factor used to allocate each amount.
57. Provide the following information with regard to AEC-KY's uncollectible accounts for the test year and 3 preceding fiscal years:
 - a. Reserve account balance at beginning of year.
 - b. Charges to the reserve account (accounts charged off)
 - c. Credits to the reserve account.
 - d. Current year provision.
 - e. Reserve balance at end of year.
 - f. Percent of provision to total revenue.
58. Provide a listing and quantification of all non-utility property related property taxes and the accounts in which these amounts were recorded. Include a description of the property.
59. Provide a schedule reflecting the salaries and other compensation of each executive officer for the test year and the 2 preceding fiscal years. Indicate which portion of these total compensation numbers are charged to O&M expense. In addition, include the percentage annual increase, the effective date of each increase, and the job title.
60. Provide an analysis of AEC-KY's expenses for R&D activities for the test year and the 3 preceding fiscal years. In addition, provide the basis of any fees paid to research organizations and details of the research activities conducted.
61. For each of the fiscal years 2001 through 2005, provide AEC-KY's payroll distribution information as reported to the KPSC. This payroll distribution data should show total payroll costs and the portions of these total payroll costs charged to O&M expenses, construction or other plant related accounts, and Other Accounts, in the same format and detail as reported by Kentucky's gas utilities on pages 354-355 of their Annual Reports to the KPSC.

62. Please provide a detailed description of all of the incentive compensation programs offered by AEC-KY to its employees. At a minimum, this description should provide (1) the major terms of each program, (2) the types of awards paid out under each program, (3) the performance goals to be reached to trigger awards under each program, and (4) types of employees eligible to participate in each program.

In addition, provide copies of actual source documentation available for each of these incentive compensation programs.

63. For each of the fiscal years 2001 through the fiscal year 2005 test year, please provide the following information regarding AEC-KY's incentive compensation expenses (provide this information broken out by "direct" AEC-KY incentive compensation expenses and by incentive compensation expenses allocated to AEC-KY from AEC affiliates):

- a. Actual incentive compensation expenses booked, in total and broken out by type of incentive program.
- b. Portions of the incentive compensation expenses to be provided in response to part a above that are charged to O&M expense and to accounts other than O&M.
- c. Portion of the test year incentive compensation O&M expense amount to be provided in the response to part b above that is a function of reaching financial performance goals. In addition, provide a description of these financial performance goals.

64. Please provide a listing, descriptions and test year expense dollar amounts of all public relations and community relations expenses included in the test year O&M expenses that are not already reflected in the advertising expenses to be provided in response to the preceding data request. In addition, indicate in which expense account(s) these expenses are reflected.

65. Please provide a listing, descriptions and test year expense dollar amounts of all promotional expenses included in the test year O&M expenses that are not already reflected in the advertising expenses to be provided in response to the preceding advertising expense data request. In addition, indicate in which expense account(s) these expenses are reflected.

66. Please provide the Company's actual Injury & Damage (I&D) expenses booked in the test year and in each of the 10 fiscal years prior to the test year.

67. Please provide the Company's actual storm damage expenses (exclusive of own company labor expenses) booked in the test year and in each of the 10 fiscal years prior to the test year.
68. Please provide a listing, description and timing of any large commercial, industrial, or special contract customers that were added as customers of AEC-KY or were lost as customers of AEC-KY during the test year and during the last quarter of 2005.

In addition, for each customer added or lost, provide full details and a description of how the annualization of such changes would impact the test period revenue requirement.

69. With regard to AEC-KY's Other Operating Revenues, please provide the actual Other Operating Revenues, in total and broken out by Other Operating Revenue account (including a description of the revenue account), for each of the fiscal years 2001 through 2005.
70. Please provide a summary schedule, supporting workpapers showing all calculations and assumptions, and an explanatory narrative for the pro forma test year income adjustment to weather normalize the actual test year sales.
71. Please provide a description and quantification of all above-the-line expenses and taxes that represent:
 - a. Out-of-period expenses/taxes.
 - b. Non-recurring expenses/taxes (expenses/taxes not booked on a recurring annual basis).
 - c. Fines and penalty expenses/taxes
72. Please provide the basis for and any actual source documentation (Actuary reports, etc.) in support of the pension expenses and FAS-106 expenses included in the actual and pro forma adjusted test year operating expenses.
73. Please provide a listing and description of all amortization expenses included in the test year operating expenses. For each amortization item, provide the current unamortized balance, the amortization expiration year and indicate whether the amortization was authorized by the PSC.
74. Please provide a detailed breakout of the expense components making up the total test year expense amount for Office Supplies and Expenses.

75. With regard to AEC-KY's American Gas Association ("AGA") dues, please provide the following information:
- a. Total AGA dues included in the test year operating expenses. In addition, indicate what portion of these total dues has been charged above the line (show account number charged) and what portion has been charged below the line (show account number charges). In addition, provide the reason for the below the line charges.
 - b. Percentage breakdown of the AGA activities by major function (e.g., legislative advocacy, legislative research, advertising, marketing, public relations, community relations, etc.), as well as the basis for this percentage breakdown.
76. Please provide descriptions (nature and purpose) and quantifications of all lawsuit settlement costs included in the test year above the line operating expenses. In addition, indicate the account no.(s) in which these expenses have been recorded.
77. Please provide descriptions (nature and purpose) and quantifications of all amortization and/or other types of costs included in above the line test year operating expenses related to the merger of AEC and United Cities Gas Company. In addition, indicate the account no.(s) in which these expenses have been recorded.
78. Please provide a schedule detailing AEC-KY's long-term debt issuances and costs. This schedule should include the following for each debt issuance: Issuance date, gross issuance amount, coupon rate, issuance costs, annual debt service amount, net proceeds of issuance, effective annual debt cost rate. Please provide the data in both paper and electronic (Microsoft Excel) formats. For the electronic version, please keep all data and equations intact.
79. Please provide a schedule detailing AEC-KY's use of short-term debt on a monthly basis for the past year. Please specify the amounts outstanding and the interest rate charged.
80. Please provide AEC-KY's quarterly capitalization amounts and ratios, both including and excluding short-term debt, for the past three years. Please provide the data in both paper and electronic (Microsoft Excel) formats. For the electronic version, please keep all data and equations intact.

81. Please provide quarterly financial statements for AEC-KY for the years 2003 to the present.
82. Please provide copies of all prospectuses for any and all security issuances since January 1, 2003.
83. Please provide a computation of AEC-KY's return on equity on a quarterly basis for the years 2003-2006. Please provide copies of all workpapers showing 'net income' and 'shareholders' equity.'
84. Please provide copies of all presentations made to rating agencies and/or investment firms between 2003 and the present.
85. Please provide copies of all rating agency and/or investment company reports on AEC-KY published between 2003 and the present.
86. Please provide copies of all studies performed by AEC-KY, or by consultants or investment firms hired by AEC-KY, to assess (1) AEC-KY's financial performance, (2) the performance of AEC-KY relative to other utilities, or (3) the adequacy of AEC-KY's return on equity or overall rate of return.
87. Please compare the earned return on equity on a quarterly basis for the years 2003-2006 for AEC-KY to that of Atmos Energy Corporation's six other regulated gas divisions: Louisiana Division, Mid-States Division, West Texas Division, Mid-Tex Division, Mississippi Valley Gas Company Division, and the Colorado-Kansas Division.
88. Please provide the allowed return for each state in which Atmos Energy Corporation operates and provide the date of the Order, the case name, and the case number in which the allowed return was established.
89. Please refer to the Atmos Energy Corporation 2004 Summary Annual Report, Letter to Shareholders, page 5. The Letter to Shareholders includes the following discussion (under "Keeping Rates Current"): "In 2004, we added \$16.2 million in net revenues through rate increases. During the next five years, we expect to receive approximately \$15 million to \$20 million in average annual rate increases. One of our goals is to monitor our rates of return in all jurisdictions to keep our actual returns as close to possible to our allowed rates of return." With regard to this statement, please provide the following:

- a. Please describe Atmos Energy Corporation's efforts for monitoring and reviewing rates of return. Include in the description a discussion of the information considered and analyzed, the reports prepared, and the frequency of the reviews. Also include in a discussion whether the review process is the same for each jurisdiction or whether it varies from jurisdiction to jurisdiction. If it varies, please identify, by jurisdiction, the differences.
- b. Please provide copies of all earnings reviews for AEC-KY's Kentucky jurisdictional operations since 30 September 1998. If any of these reviews were communicated, presented, considered by, or otherwise transmitted to Atmos Energy Corporation's Board of Directors, Atmos Energy Corporation's Senior Management Team, or Atmos' Kentucky Division, please provide the corresponding dates and any corresponding minutes, letters of transmittal, or other documents or communications relating to their dissemination.