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August 25, 2007

Honorable Elizabeth O'Donnell  
Executive Director  
Kentucky Public Service Commission  
211 Sower Blvd.  
PO Box 615  
Frankfort, Kentucky 40602

**RECEIVED**  
AUG 23 2007  
PUBLIC SERVICE  
COMMISSION

RE: Case No. 2005-00321

Dear Ms. O'Donnell:

Atmos Energy Corporation (Company) herewith submits an original and eleven (11) copies of the first annual gas cost performance based ratemaking mechanism (PBR) report being filed in compliance with the Commission's Order of February 8, 2006 in the above referenced case. Pursuant to Ordering Paragraph 6, the Company is required to file annual reports of its activity under the extended PBR. These reports are to be filed by August 31 of each calendar year, commencing in 2007. The Company is providing data from April 2005 through March 2007. Since the information being filed herewith is confidential, it is being filed under a Petition for Confidentiality.

Please do not hesitate to contact me at 270-685-8024 if you have any questions.

Sincerely,

Mark A. Martin  
Vice-President – Rates & Regulatory Affairs

c: Lawrence W. Cook

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

AUG 23 2007

PUBLIC SERVICE  
COMMISSION

IN THE MATTER OF:

MODIFICATION OF ATMOS ENERGY  
CORPORATION'S GAS COST ADJUSTMENT  
TO INCORPORATE PERFORMANCE-BASED  
RATEMAKING MECHANISM (PBR)

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CASE NO. 2005-00321

PETITION FOR CONFIDENTIALITY OF CERTAIN INFORMATION  
BEING FILED WITH THE KENTUCKY PUBLIC SERVICE COMMISSION  
WITH THE ANNUAL REPORT ON ATMOS ENERGY CORPORATION'S  
PERFORMANCE BASED  
RATEMAKING MECHANISM

Atmos Energy Corporation ("Atmos Energy" or "Company"), respectfully petitions the Kentucky Public Service Commission ("Commission"), pursuant to 807 KAR 5:001, Section 7, and all other applicable law, for confidential treatment of the information contained in the attached document. In support of this petition, Atmos Energy states as follows:

1. On February 8, 2006, the Commission entered an Order in case no. 2005-00321 approving an extension, as modified, of Atmos' Experimental Performance Based Ratemaking Mechanism ("PBR") for a period of five (5) years. The Commission's Order further required the Company to file annual reports on the results of the PBR program by August 31 of each year, commencing in 2007. The attached report contains the

quantitative results of Atmos' PBR program for the period of April 2005 through March 2007 and is filed in fulfillment of that requirement.

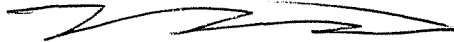
2. The Company's current gas supply contract is with a single source supplier, Atmos Energy Marketing, Inc. ("AEM"). It contains significant pricing discounts. In order to fully report to the Commission the results of the Company's current PBR program, disclosure of the discounts on gas purchases provided in the current supply contract is required. In order to protect the confidentiality of that information, not only must the discount themselves be redacted in the non-confidential version, but all information from which the discount could be calculated, must likewise be redacted. Since this information is both disclosed in, and determinable from, data appearing throughout the quantitative results contained in Exhibit "A", the entire Exhibit "A" has been redacted.

3. This type of information has been determined by the Commission in Atmos' prior PBR proceedings to be entitled to confidential protection. Nothing has occurred since the Commission granted confidential protection to this type of information that would now disqualify it from protection. The Company accordingly petitions the Commission to again treat this information as confidential.

4. Pursuant to 807 KAR 5:001, Section 7 (3), temporary confidentiality of the information sought to be protected herein should be maintained until the Commission enters an orders as to this Petition. Once the order regarding confidentiality has been issued, Western would have twenty (20) days to seek alternative remedies pursuant to 807 KAR 5:0001, Section 7 (4).

WHEREFORE, Company petitions the Commission to treat as confidential the information contained in the attached.

Respectfully submitted this 25th day of August, 2007.



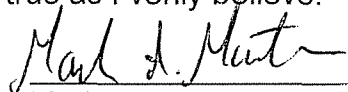
Mark R. Hutchinson  
WILSON, HUTCHINSON & POTEAT  
611 Frederica Street  
Owensboro, Kentucky 42301  
(270) 926-5011

Douglas Walther  
Atmos Energy Corporation  
P.O. Box 650250  
Dallas, Texas 75265

Attorneys for Atmos Energy

**VERIFICATION**

I, Mark R. Martin, being duly sworn under oath state that I am Vice President of Rates and Regulatory Affairs for Atmos Energy Corporation, and that the statements contained in the foregoing Petition are true as I verily believe.

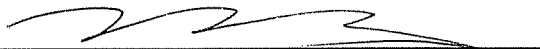


Mark A. Martin

**CERTIFICATE OF SERVICE**

I hereby certify that on the 25 day of August, 2007, the original of this Petition, with the Confidential Information for which confidential treatment is sought, together with eleven (11) copies of the Petition without the confidential information, were filed with the Kentucky Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, and a true copy thereof mailed by first class mail to the following named persons:

Lawrence W. Cook  
Assistant Attorney General  
Office of Rate Intervention  
1024 Capitol Center Drive  
Suite 200  
Frankfort, Kentucky 40601



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Mark R. Hutchinson

ATMOSPBR\CASE NO. 2005-00321\  
PETITION FOR CONFIDENTIALITY

Atmos Energy Corporation  
Kentucky Division  
PBR Results (April 2005 - March 2007)

EXHIBIT "A"