

October 30, 2008

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PUBLIC SERVICE COMMISSION

Ms. Stephanie Stumbo Executive Director Kentucky Public Service Commission 211 Sower Boulevard Post Office Box 615 Frankfort, Kentucky 40602

Subject:

Tariff Filing - DSM Balance Adjustment

Demand Side Management Cost Recovery Mechanism

Dear Ms. Stumbo:

Enclosed are an original and three copies of **Seventh Revised Sheet No. 41**, **Cancelling Sixth Revised Sheet No. 41** for Atmos Energy Corporation with an effective date of January 1, 2009.

This filing is made to update both the annual DSM Cost Recovery – Current (DCRC) and the DSM Balance Adjustment (DBA) consistent with the Order in Docket No. 2005-00515. This filing is being made at least two months prior to the effective date. A schedule is enclosed for the Commission's review.

Atmos Energy Corporation respectfully requests the Commission's approval of the enclosed tariff sheet to become effective January 1, 2009. Atmos further requests that a copy of the tariff sheet be stamped "approved", and returned to the following address: Atmos Energy Corporation, 5430 LBJ Freeway, 6th Floor, Dallas, TX 75240.

Sincerely,

Yudy Dunlap Rate Analyst

Enclosures

Cc: Mark A. Martin

FOR ENTIRE SERVICE AREA

P.S.C. NO. 1

Seventh Revised Sheet No. 41
Cancelling
Sixth Revised Sheet No. 41

ATMOS ENERGY CORPORATION

| Demand-Side Management Cost Recovery Mechanism DSM | | | | |
|--|-----------------------------|--|--|--|
| DSM Cost Recovery Component (DSMRC): | | | | |
| DSM Cost Recovery – Current: | \$0.0193 per Mcf | | | |
| DSM Balance Adjustment: | (<u>\$0.0713</u>) per Mcf | | | |
| DSMRC Residential Rate G-1 | (\$0.0520) per Mcf | | | |
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ISSUED: October 30, 2008 EFFECTIVE: January 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2005-00515 dated December 22, 2005)

BY: Mark A. Martin Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Atmos Energy Corporation DSM Balancing Adjustment

DSMRC Costs / Expected Residential Sales

DSM Balance Adjustment (DBA):

DSMRC Residential Rate G-1

| | | | Under/(Over) | | | | | |
|--|------------|----------|---------------|--------------|-------------|--|--|--|
| | DSMRC | DSMR | | DSMRC | Residential | | | |
| | Recoveries | | Costs Balance | | Sales | | | |
| Previous DBA Balancing Adjustment | | | \$ | (32,526.05) | (Mcf) | | | |
| Oct-07 \$ | • | \$6.0 | 24.00 \$ | 2,054.00 | 199,912 | | | |
| Nov-07 | 13,244.63 | 16,8 | 06.92 | 3,562.29 | 671,252 | | | |
| Dec-07 | 26,985.01 | 16,7 | 73.21 | (10,211.80) | 1,371,223 | | | |
| Jan-08 | 187,123.29 | | 0.00 | (187,123.29) | 2,019,596 | | | |
| Feb-08 | 196,183.91 | 12,7 | 38.11 | (183,445.80) | 2,109,596 | | | |
| Mar-08 | 161,374.44 | 9,5 | 32.69 | (151,791.75) | 1,735,953 | | | |
| Apr-08 | 97,408.53 | 12,0 | 55.53 | (85,353.00) | 1,047,806 | | | |
| May-08 | 45,919.88 | 11,1 | 35.20 | (34,784.68) | 494,795 | | | |
| Jun-08 | 19,464.20 | 1,3 | 30.00 | (18,084.20) | 211,451 | | | |
| Jul-08 | 16,876.76 | 4,8 | 55.90 | (12,020.86) | 182,649 | | | |
| Aug-08 | 15,662.34 | 5,7 | 91.40 | (9,870.94) | 168,632 | | | |
| Sep-08 | 3,681.88 | 12,2 | 09.92 | 8,528.04 | 159,864 | | | |
| \$ | 787,894.87 | \$ 109,3 | 52.88 \$ | (711,068.04) | 10,372,729 | | | |
| | | | | | | | | |
| 12 Month Average Interest Rate at Sep-08 | | 3.9 | 683% \$ | (28,217.31) | | | | |
| Total DBA Balancing Adju | ustment | | \$ | (739,285.35) | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Annual Expected Residential Sales (Mcf) | | | | 10,372,729 | | | | |
| DCM Relenging Adjustment (DRA) | | | | (0.0713) | | | | |
| DSM Balancing Adjustment (DBA) | | | | (0.0713) | | | | |
| DSM Cost Recovery Component (DSMRC): | | | | | | | | |
| DSM Cost Recovery Current (DCRC): | | | | | | | | |

0.0193

(0.0713)

(0.0520)