

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF ATMOS ENERGY)	
CORPORATION FOR APPROVAL TO EXTEND)	CASE NO.
ITS DEMAND-SIDE MANAGEMENT PROGRAM)	2005-00515
AND COST RECOVERY MECHANISM FOR)	
THREE YEARS)	

O R D E R

On December 5, 2005, Atmos Energy Corporation ("Atmos") filed an application requesting to extend its Demand-Side Management ("DSM") program and DSM Cost Recovery Mechanism ("DSMCR") for 3 years, through December 31, 2008. Atmos's DSM program and cost recovery mechanism were initially approved as a 3-year pilot, to run through 2002, as part of the settlement in Case No. 1999-00070.¹ It was later approved for 3 additional years, to run through 2005, in Case No. 2002-00405.² On December 12, 2005, Atmos supplemented its application to request an increase in the DSM Balance Adjustment ("DBA") component of its DSMCR.

Atmos's DSM program provides annual funding of approximately \$200,000 for weatherization programs for low-income customers. The cost to an average residential

¹ Case No. 1999-00070, The Application of Western Kentucky Gas Company for an Adjustment of Rates, Order dated December 21, 1999.

² Case No. 2002-00405, The Filing by Atmos Energy Corporation to Extend its Demand-Side Management Program and Cost Recovery Mechanism, Order dated April 25, 2003.

customer for the funding of the program is approximately \$1.20 annually. Atmos's application to extend the program and DSMCR for an additional 3 years was supported unanimously by its DSM Collaborative.³

Atmos's December 12, 2005 supplemental filing includes a request to increase the DBA component of the DSMCR from \$0.0001 to \$0.0031 per Mcf. The increase is based on an under-recovery of approximately \$31,000 during the 12 months ended September 30, 2005.⁴

Based on a review of the application and Atmos's supplemental filing and being otherwise sufficiently advised, the Commission finds that:

1. Atmos's request to extend its DSM program and cost recovery mechanism for 3 years, through December 31, 2008, is reasonable and should be approved.
2. Atmos's request to increase the DBA component of its DSMCR to \$0.0031 per Mcf is reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. Atmos's DSM program and cost recovery mechanism shall be extended for a period of 3 years, from January 1, 2006 through December 31, 2008.
2. The DBA component of Atmos's DSMCR shall be increased to \$0.0031 per Mcf, effective January 1, 2006.

³ The Collaborative consists of Atmos, the Kentucky Association for Community Action, the Attorney General of the Commonwealth of Kentucky, and the Kentucky Legal Aid Society.

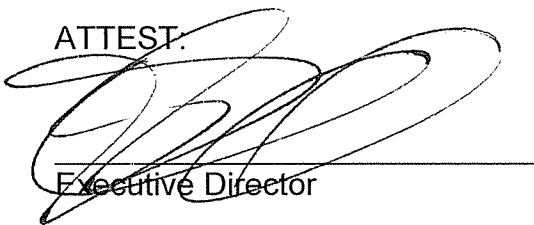
⁴ Adjustments to the DBA are made on a regular annual basis, based on the over- or under-recovery for the 12-month period ending September 30th of every year.

3. Within 20 days of the date of this Order, Atmos shall file its revised DSM cost recovery tariffs showing the date issued and that they were issued by authority of this Order.

Done at Frankfort, Kentucky, this 22nd day of December, 2005.

By the Commission

ATTEST:



Executive Director