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February 7, 2008

Ms. Elizabeth O'Donnell, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

RE: Case No. 2007-00551

Dear Ms. O'Donnell:

Atmos Energy Corporation (Company) herewith submits an original and five (5) copies of the Company's response to Staff's data request in the above referenced docket. Please contact either myself at 270.685.8024 or Len Matheny at 270.685.8062 if the Commission or Staff has any questions regarding the enclosed application.

Sincerely,

A handwritten signature in black ink that reads "Mark A. Martin".

Mark A. Martin
Vice President, Rates & Regulatory Affairs

Enclosures

cc: Randy Hutchinson
Alan Chambers
Dennis Howard, Office of Rate Intervention

Atmos Energy Corporation, Kentucky
Case No. 2007-00551
KPSC 1st Data Request Dated January 31, 2008
DR Item 1
Witness: Mark Martin

Data Request:

Atmos has proposed, among other things, that its hedging program, which has been subject to Commission approval annually, be approved on a permanent basis. What is Atmos's position on its hedging program being extended for a specific period of time, such as five years, and then being subject to review by the Commission to determine whether or not it should be made permanent?

Response:

Atmos (Company) proposed to make the hedging program permanent to eliminate the repetitive annual approval process while continuing the same level of Commission oversight. The Company applied for permanency since the program had not been contested in recent years and since hedging had become a standard practice within the natural gas industry. The Kansas Corporation Commission and the Virginia State Corporation Commission have both approved permanent hedging programs and/or tariffs for the Company. The Company would prefer a permanent program, but would support the proposition and would be willing to stipulate to such a proposal.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

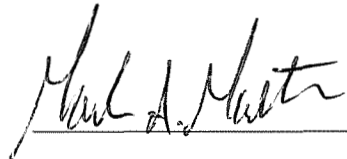
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IN THE MATTER OF)
HEDGING APPLICATION OF) Case No. 2007-00551
ATMOS ENERGY CORPORATION)

CERTIFICATE AND AFFIDAVIT

The Affiant, Mark A. Martin, being duly sworn, deposes and states that the prepared testimony attached hereto and made a part hereof, constitutes the prepared rebuttal testimony of this affiant in Case No. 2007- 00551, in the Matter of the Hedging Application, and that if asked the questions propounded therein, this affiant would make the answers set forth in the attached prepared direct pre-filed testimony.

Affiant further states that he will be present and available for cross examination and for such additional direct examination as may be appropriate at any hearing in Case No. 2007-00551 scheduled by the Commission, at which time affiant will further reaffirm the attached testimony as his direct testimony in such case.



STATE OF Kentucky
COUNTY OF Daviess

SUBSCRIBED AND SWORN to before me by Mark A. Martin on this the 6th day of February, 2008.



Notary Public
My Commission Expires: 11/15/2011