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OVERNIGHT DELIVERY

June 28, 2011

Jeff R. Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
PO Box 615
Frankfort, Kentucky 40602

RECEIVED

JUN 29 2011

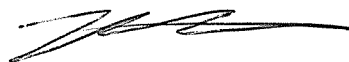
PUBLIC SERVICE
COMMISSION

RE: **Atmos Energy Corporation – Petition for Confidentiality for Supplemental Information being filed in connection with Application for a Deviation from Pricing Requirements of KRS 278.2207 Case No. 2011-00201**

Dear Mr. Derouen:

I am enclosing herewith, an original, plus eleven (11) copies, of a Petition for Confidentiality. The original of the Petition contains **Confidential** information and is so marked. The eleven copies of the Petition have redacted copies attached. Please return one file stamped copy of the Petition to me. Thanks.

Very truly yours,



Mark R. Hutchinson

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

IN THE MATTER OF:)	
)	
APPLICATION OF ATMOS ENERGY)	Case No.
CORPORATION FOR APPROVAL OF THIRD)	2011-00201
PARTY GAS SUPPLY AGREEMENTS AND FOR)	
A DEVIATION FROM THE PRICING REQUIREMENTS)	
OF KRS 278.2207)	

**PETITION FOR CONFIDENTIALITY OF SUPPLEMENTAL INFORMATION
BEING FILED WITH KENTUCKY PUBLIC SERVICE COMMISSION**

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 supplemental information attached hereto. In support of this Petition, Atmos states as follows:

1. Atmos has entered into two new gas supply contracts with Atmos Energy Marketing, LLC (the “AEM Agreements”). These have previously been filed with the original Application for Approval in this proceeding under a Petition for Confidentiality.

2. Due to their competitively sensitive nature, details relating to the proposals received by Atmos in response to the RFP’s that had been issued, including details of Atmos’ comparative cost analysis, were not set forth in the original Application. Atmos

stated in the Application that this information would be provided to the Commission under a separate Petition for Confidentiality. The details concerning all proposals received by Atmos in response to the RFPs, as well as Atmos' analysis of those proposals, are now being provided to the Commission with this Petition.

The Commission has consistently afforded confidential protection to gas supply contracts such as those which are the subject of this proceeding. See e.g., KPSC Cases 97-513, 2002-00245 and 2006-00194. The competitively sensitive information contained in gas supply contracts, such as prices, purchase volumes and flexibility, points of receipt and delivery and identity of pipelines, is likewise contained in the information now being filed with this Petition.

Information relating to the number of proposals received, identity of entities who submitted proposals and details of the responsive proposals are all competitively sensitive information and if publically disclosed would give competitors of Atmos an unfair business advantage.

3. KRS 61.872(1) requires information filed with the Commission to be available for public inspection unless specifically exempted by statute. Exemptions from this requirement are provided in KRS 61.878(1)(c)(1)exempts commercial information, confidentially disclosed to the Commission which if made public would permit an unfair commercial advantage of competitors of the parties from whom the information was obtained. To qualify for the exemption, actual competition must be demonstrated, as well as a likelihood of substantial competitive injury if the information is publicly disclosed. Competitive injury occurs when disclosure of the information gives competitors an unfair business advantage.

4. Atmos must compete for both gas supply and gas transportation services in the deregulated world of natural gas acquisition and transportation. Disclosure of the information sought to be protected would allow Atmos' competitors to gain confidential information about Atmos' gas purchasing and transportation costs and strategies. It would enable those competitors to negotiate similar terms with other gas suppliers, thereby depriving Atmos of the commercial benefits it enjoys by negotiating the attached gas supply agreements.

5. Additionally, to the extent that Atmos chooses, in the future, to purchase gas supply or transportation services from other suppliers or potential suppliers, disclosure of the information contained in the attached contracts would reveal the prices and terms Atmos has agreed to pay for gas supply and transportation services. Suppliers with that information, who might otherwise offer a lower price, would have no incentive to offer any price lower than that currently being paid by Atmos.

6. The information sought to be protected is not known outside Atmos and is not disseminated within Atmos except to those employees with a legitimate business need to know and act upon the information.

7. The attached Request for Proposals provided written assurance to the entities responding that information concerning their responses would be filed confidentially with the Commission. This provision recognizes that the parties could be competitively damaged if the terms of the responses were made publicly available to competitors, including specifically those unregulated competitors who would have no corresponding requirement to make a public disclosure.

8. Pursuant to 807 KAR 5:001, Section 7(3), temporary confidentiality of the

attached information should be maintained until the Commission enters an order as to the Petition. Once the order regarding confidentiality has been issued, Atmos would have twenty (20) days to seek alternative remedies pursuant to 807 KAR 5:001, Section 7(4).

WHEREFORE, Atmos petitions the Commission to treat as confidential the supplemental information attached and marked as "CONFIDENTIAL" hereto in their entirety. The actual RFPs sent to potential responders are attached but no confidential protection is sought for the RFPs. All other attachments are CONFIDENTIAL.

Respectfully submitted this 28 day of June, 2011.




Mark R. Hutchinson
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Attorneys for Atmos Energy

VERIFICATION

I, Mark A. Martin, being duly sworn under oath state that I am Vice President of Rates and Regulatory Affairs Kentucky Midstates Division 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 27 day of June, 2011, 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.



Mark R. Hutchinson

REDACTED

TXG/TRUNKLINE

1. TXG/Trunkline RFP
2. Process Validation
3. Responses
4. Atmos Analysis

RECEIVED

JUN 29 2011

PUBLIC SERVICE
COMMISSION

TGP

5. TGP RFP
6. Process Validation
7. Responses
8. Atmos Anaysis

February 23, 2011

RE: Request for Proposal
Asset Manager & Gas Supply Requirements

Atmos Energy Corporation is seeking proposals for firm gas commodity requirements and management of the transportation/storage contracts serving our Texas Gas/Trunkline Kentucky area. Attached are proposal guidelines and exhibits with supply requirements, receipt point capacity and estimated usage.

Proposals should be sent to Riney Hancock, CPAs (on behalf of Atmos) must be received by 4:00 P.M. Central Time on Monday March 28, 2011. Atmos will evaluate the proposals received, and all respondents to this RFP will be notified whether or not they are selected as the asset manager.

We look forward to receiving your proposal.

Sincerely,

Kim Griffith
Gas Supply Specialist

ATMOS ENERGY CORPORATION
GAS SUPPLY REQUEST FOR PROPOSAL (“RFP”)
FOR NATURAL GAS SUPPLY AND ASSET MANAGEMENT
KENTUCKY SERVICE AREA - TEXAS GAS/TRUNKLINE
February 23, 2011

1 RFP Overview

Atmos Energy Corporation (“Atmos”) is seeking proposals from qualified suppliers to provide firm natural gas commodity requirements and asset management of transportation and storage contracts for its Kentucky service areas served by Texas Gas Transmission Corporation (TGT) and Trunkline Gas Company (Trunkline). Proposals may be submitted on the attached **Attachment A, Bid Form**. The term of the agreement will commence on June 1, 2011 and continue for a period of four years and five months through October 31, 2015.

**ALL PROPOSALS MUST BE PREPARED IN ACCORDANCE WITH RFP
REQUIREMENTS AND MUST BE RECEIVED IN WRITTEN FORM
ON OR BEFORE MONDAY MARCH 28, 2011 BY 4:00 PM CT.**

2 RFP Communication

Atmos has transitioned to only electronic RFP notifications. Potential bidders should register to view and receive electronic notification of Atmos’ RFPs through the Atmos Energy website at <https://www.atmosenergy.com/cs/gassupply/> and click on “Register.”

Any requests for additional information not contained in this RFP are required in writing. Requests should be submitted via the Atmos RFP website. Responses to reasonable requests will be available for viewing by all registered parties via the Atmos RFP website. The identity of the party requesting additional information will be kept confidential. In order to submit a question, please click on the “Questions and Answers for this Activity” tab and type in your question. Questions should be submitted no later than Monday March 21, 2011. Responses will be posted as soon as possible on the Atmos RFP website, but no later than Wednesday March 23, 2011.

3 Background

Kentucky Service Area – TGT/Trunkline

Atmos holds firm capacity on TGT and Trunkline to serve its Kentucky service area. Atmos has five company-owned behind city gate storage fields and holds contract storage capacity in East Diamond, a behind the city gate storage field. Atmos contracts for a small amount of supply provided by local producers directly into Atmos’ distribution system. To the extent Atmos’ distribution system can accommodate incremental local production, the Asset Manager will be required to facilitate such purchases for delivery

into Atmos' distribution system. In addition to TGT and Trunkline, the following pipelines interconnect with Atmos' Kentucky service area: Midwestern Gas Transmission (MGT) and ANR Pipeline Company (ANR). Kentucky's annual thru-put for the TGT/Trunkline service areas is approximately 39.4 Bcf, of which approximately 57% is attributable to third party transportation customers.

TGT

Atmos' Kentucky weather normalized annual purchase requirements on TGT are approximately 15.8 Bcf for system supply. More detailed projected purchase volumes are provided on **Attachment B, Kentucky Winter and Summer Gas Supply Plans**, to assist in proposal preparation. The projected purchase volumes are informational only and may not be indicative of future requirements. Atmos will provide seasonal gas supply plans twice a year, which will cover forecasted normal supply requirements on TGT and include planned supply requirements on Trunkline. The seasonal plans will include anticipated requirements plus estimated planned injections during the summer season. These estimated purchases will take into consideration requirements; less estimated planned storage withdrawals during the winter season shown on **Attachment B**.

Trunkline

Atmos' Kentucky weather normalized annual purchase requirements on Trunkline are approximately 741,500 Dth. More detailed projected purchase volumes are provided in **Attachment B**, to assist in proposal preparation. The projected purchase volumes are informational only and may not be indicative of future requirements. Atmos will provide seasonal gas supply plans twice a year, which will cover forecasted normal supply requirements on TGT and include planned requirements from Trunkline. The seasonal plans shown on **Attachment B** include anticipated requirements plus estimated planned injections during the summer season. These estimated purchases will take into consideration requirements less estimated planned storage withdrawals during the winter season.

MGT

Atmos does not have capacity on MGT; however, Atmos has an Operational Balancing Agreement (OBA). Atmos Gas Control and MGT Gas Control will monitor the pipeline imbalance. An Asset Manager has the right to deliver supply into Atmos' distribution system from MGT's meter #33315. Respondents should be familiar with the MGT tariff provisions and Atmos meter capacity if planning to effectuate the services required under this RFP via MGT.

ANR

Asset Manager also has the right to deliver supply into Atmos' distribution system from ANR (Beulah DRN #201838 Meter #521974 and Stanley DRN #201846 Meter

#521976). Respondents should be familiar with the ANR tariff provisions and Atmos meter capacity if planning to effectuate the services required under this RFP via ANR. Atmos has not recently utilized the ANR meters, and an inspection/maintenance may be required before volumes can be nominated. If an Asset Manager plans to utilize the two Atmos ANR meters as part of their bid, please include this assumption in your bid.

3.1 City of Livermore

Atmos has recently acquired the distribution system to serve the city of Livermore, Kentucky. Along with the physical assets, Atmos acquired a supply arrangement which extends through October 31, 2011 and entered into a TGT NNS agreement which extends through October 31, 2013. **Attachment C, Livermore Supply and Transportation Details**, contains the details of both the supply and transportation agreements.

Supply Agreement

The Asset Manager will be responsible for facilitating the gas supply into Atmos distribution consistent with FERC regulations and policies throughout the remaining term of the supply agreement.

TGT NNS Agreement

The NNS contract associated with Livermore will be released to the Asset Manager and has a minimum annual contract commitment of 42,853 MMBtu from February 1, 2011 through October 31, 2011. The minimum annual contract commitment from November 1 through October 31 of the next two years is 70,454 MMBtu. The Asset Management will be responsible for utilizing this contract only up to the minimum commitment and ensuring that the minimum commitments are met. At the expiration of the Livermore NNS contract, the Asset Manager will serve Livermore utilizing Atmos existing TGT capacity whereby Atmos will adjust the delivery points to include Livermore on its existing NNS contract.

3.2 Assets Provided by Atmos to Asset Manager

Please see the description of the contracts on **Attachment D Contract Summary**. To the extent allowed by applicable pipeline tariffs and regulations and subject to the terms of any applicable service agreements, Atmos will release on a recallable basis its transportation and storage capacity to the Asset Manager subject to the Asset Manager's obligation to provide full requirements to Atmos' distribution systems as operations dictate. Demand charges associated with the zero rate capacity releases will be billed to Atmos directly by the pipelines. The Asset Manager will bill Atmos all variable transportation charges associated with providing deliveries to Atmos' city gates for Atmos' requirements.

TGT

Atmos has four TGT FT contracts and three TGT NNS contracts. Atmos has five behind the city gate company-owned storage facilities and one behind the city gate contract storage facility (see **Attachment D, Contract Summary**). Atmos' Gas Control Department retains operational control of all behind gate storages. This operational control, as it relates to the Company's storage fields, is intended to ensure the physical integrity and limitations of markets served by the storage fields. These behind gate storages are utilized to service Atmos requirements in TGT Zone 3, particularly Owensboro and Madisonville, KY. The behind gate storages cannot peak-shave all of Zone 3. The Asset Manager will have the flexibility to vary from the established storage plan, but Atmos will ensure that service to its core markets is not jeopardized as a result of the Asset Manager's deviation from the plan.

There are five active local producers which Atmos contracts directly for supply in TGT Zones 2 and 3. These contracts have a combined annual supply to Atmos of approximately 468,937 MMBtu. The majority of local production is provided in the summer months in Calvert City, TGT Zone 2.

Regardless of actual usage of Atmos' TGT pipeline capacity, Asset Manager must bill Atmos as if the FT contracts were optimized, utilizing the least cost transportation first (including variable transportation and fuel).

Trunkline

Atmos has one Trunkline FT contract (see **Attachment D, Contract Summary Trunkline Pipeline Contracts**). Asset Manager will invoice Atmos based on the FOM baseload billable plan quantities. Atmos has a discounted rate for firm Transportation Service so Asset Manager will bill Atmos based on the Primary Receipt (ELA) and Delivery Points (West Paducah 82041) associated with the discount which is effective through October 31, 2011. Effective November 1, 2011 the discount and Primary Receipt point will move to the WLA area. Asset Manager is responsible for monitoring the system supply gas nomination versus measurement.

East Diamond Storage Facility

The East Diamond Storage facility ("East Diamond") is located in Hopkins County, Kentucky. Currently East Diamond injections must be sourced from ANR meter # 521660 and withdrawals must be delivered to the Atmos Kentucky distribution system. Atmos has 1,750,000 Dth of contract storage capacity in East Diamond with a maximum daily withdrawal of 20,000 Dth/day and a maximum daily injection of 20,000 Dth/day. Please see the ratchet schedule on **Attachment D Contract Summary – Behind City Gate Storage** for changes in the withdrawal and injection capability as storage levels change.

ANR Delivered Service

Due to the location of the East Diamond and the gas quality requirements of storage injections, the Asset Manager must provide injections physically in ML2 on ANR. The Asset Manager will be responsible for providing a delivered service to effectuate all injections into East Diamond as Atmos does not hold ANR capacity.

Atmos will provide Asset Manager with the seasonal gas supply plan. See **Attachment B**, for anticipated injection and withdrawal quantities. At Atmos' discretion, this plan may be adjusted at least five (5) business days before the beginning of any month to accommodate Atmos' operational needs

3.3 Balancing

On TGT the difference between Atmos' net purchases (TGT FOM billable plan plus incremental quantities plus storage withdrawals less sell backs) and the Company's actual usage will be balanced on paper utilizing the TGT NNS contracts. In other words, the NNS contracts take the swing. The transportation customers are kept whole to their nominations and are also balanced on Atmos NNS contracts.

On Trunkline the difference between Atmos' net purchases (Trunkline FOM volumes plus incremental quantities less sell backs) and the Company's actual usage will be cashed out each month per the Trunkline tariff.

On MGT, Atmos does not have capacity but we have an Operational Balancing Agreement (OBA). There are transportation customers that utilize this point and imbalances are cashed-out by the pipeline. To the extent the Asset Manager utilizes MGT to effectuate service, they are responsible for any related imbalance charges.

3.4 Services to be provided to Atmos

All of Atmos' commodity supply requirements will be provided by the Asset Manager, with the exception of Atmos' existing contracts for local production and its supply requirements to serve Livermore. The supply requirements are to be delivered on a firm basis. Storage injections/withdrawals will be nominated per the injection/withdrawal plan (See **Attachment B**) and adjusted monthly/daily, if necessary. Atmos will purchase all nominated and incremental volumes, less sell backs.

4 Form of Agreement

The agreement will be on the standard 2002 form of Base Contract for the Sale and Purchase of Natural Gas published by the North American Energy Standards Board (NAESB). The NAESB will also include Atmos' special provisions shown on **Attachment E, Atmos Special Provisions**, and additional special provisions that may be mutually agreed upon, and a transaction confirmation specifically incorporating the terms

and conditions herein specified (or as otherwise set forth in a successful bid) and pricing contained in the successful bid.

5 Asset Management

The transaction with the asset manager is intended to qualify as an “Asset Management Arrangement” as defined in the Federal Energy Regulatory Commission’s (“Commission”) Order No. 712 and its regulations, as amended, set out in 18 CFR §284.8. All releases of FERC jurisdictional storage and transportation capacity under the Agreement shall conform with FERC’s definition of an asset management agreement, including the required conditions and delivery obligations, shall be non-biddable, pre-arranged releases and shall be made in a manner consistent with (a) the FERC’s capacity release regulations, and (b) applicable pipeline tariffs. The capacity released will be for the shorter of this agreement or the term of the associated contracts as detailed on **Attachment D** and will be fully recallable. The final transaction confirmation will include the following language:

“The capacity may be recalled immediately upon (i) a breach that leads to the termination of the Asset Management Arrangement; (ii) failure by supplier to fulfill its delivery obligations subject to the terms and conditions of the Asset Management Arrangement; or (iii) the mutual agreement of the parties.”

The Asset Manager will be obligated to provide all firm system supply requirements on any and every day of the term up to the applicable daily contract demand of Atmos’ released capacity. Furthermore, the selected Asset Manager will be responsible for the management of pipeline capacity and storage contracts, as well as, company-owned storage in accordance with gas supply plans provided by Atmos. The Asset Manager will be responsible for making all nominations to the pipeline for flowing gas as well as notifying Atmos Gas Control of nominations and storage injections/(withdrawals) activity.

The Asset Manager will have the right to deliver quantities to Atmos utilizing transportation and/or storage service other than the managed capacity provided that (i) there will be no reduction in service, quantity or reliability to Atmos, and (ii) there will be no pricing change for the service delivered by asset manager. The Asset Manager will invoice and pass through commodity and fuel costs to Atmos pursuant to the transportation routes and storage activity using the quantities and transportation/storage capacity specified in Atmos’ plan requirements and the pricing set forth in the agreement between Atmos and the Asset Manager regardless and separate of actual transportation and storage physical activity.

The Asset Manager selected is responsible for any penalties or incremental costs associated with non-compliance with any rule, regulation, tariff provision of any Federal, State, or local governing entities including asset manager’s election to deviate from the company provided planned flowing and storage gas injections and/or withdrawal

requirements. In addition, the Asset Manager will be responsible for any penalties or incremental costs incurred by Atmos when supplier does not abide by operational orders issued, either by the transportation service provider or by Atmos as defined in the final contract.

6 Performance and Supply Requirements

All gas supply is to be firm, assuring that natural gas supply services will meet all contractual obligations without fail.

When reasonable grounds for insecurity of performance arise, Atmos may demand adequate assurance of performance. Adequate assurance shall mean sufficient security in the form and for the term reasonably specified by Atmos, including, but not limited to, a standby irrevocable letter of credit, a prepayment, a security interest in an asset acceptable to Atmos, a performance bond or a guarantee by a creditworthy entity. Atmos may, from time to time, request such credit information as may reasonably be required to determine the creditworthiness of the Asset Manager.

Asset Manager may use any alternate receipt points on each pipeline to supply gas, but Asset Manager is responsible for incremental transport charges as a result of alternate points. **Also, the Asset Manager must provide gas at primary receipt points when secondary points are curtailed.**

Asset Manager shall dispatch gas to Atmos using the least cost supply first (including variable transportation and fuel costs), acting in the best interest of Atmos at all times. Atmos may request documentation substantiating optimal dispatching and provide such documentation in response to regulatory requests. In bidding on this RFP, Asset Manager indicates understanding and acceptance of this requirement.

The company owned storage facilities, East Diamond and TGT NNS contracts are included in assets available for an asset manager to optimize; however, the purpose of these facilities first and foremost is to insure adequate supply to the Atmos firm customers and is subject to operational limitations at Atmos' discretion. A storage withdrawal ratchet schedule is provided in **Attachment D** that is based on historical operating usage and forecasted facility capability. The Company owned storage facilities cannot support all of Atmos TGT Zone 3 requirements and is primarily utilized to support the Atmos markets near Owensboro and Madisonville. The storage withdrawal ratchet schedule is provided for informational purposes only in no way represents contractual withdrawal rights. The asset manager may utilize the facility for asset optimization purposes under the following conditions:

- Maintain a physical inventory balance of at least 50% in both the Owensboro and the Madisonville storage groups through the end of each January to ensure operational deliverability during peak times
- Maintain a physical inventory balance of at least 50% in East Diamond through the end of each January to ensure operational deliverability during peak times
- Maintain a physical inventory of at least 25% in the Texas Gas NNS storage accounts on contracts #29760, #29762 and #29763 through the end of February.
- Atmos, in its sole discretion may approve storage levels below 50% before the end of January at either of the Owensboro or Madisonville storage groups if an Asset Manager can provide firm delivered service at the applicable ANR or TGT delivery point to replace storage withdrawals
 - The ANR delivery points cannot fully replace the storage withdrawals
 - ANR point #201846 can be utilized to support and replace storage withdrawals for the Owensboro group
 - ANR point #201838 can be utilized to support and replace storage withdrawals for the Madisonville group
 - Texas gas meters #1924 and #1942 can be utilized to support and replace storage withdrawals for the Owensboro group
 - Texas gas meters #1939 and #1948 can be utilized to support and replace storage withdrawals for the Madisonville group
 - Atmos, in its sole discretion will approve any replacement of storage withdrawals and system demand will limit volumes replaced
- Atmos, in its sole discretion, may limit storage withdrawals or injections to protect the integrity of the storage field and/or distribution system
- Atmos, in its sole discretion will dispatch storage withdrawals to support the areas of the distribution system where needed

Atmos will notify the Asset Manager of its first-of-month (“FOM”) baseload gas requirements (“Billable Plan”) within five (5) business days before the beginning of any month. Monthly purchase volumes will be determined and billed based on the Atmos plan as adjusted. Physical volumes on Atmos’ transportation and storage agreements/facilities may vary based on the Asset Manager’s utilization of the assets. The Asset Manager shall provide monthly support for billed volumes and measured volumes on transportation and storage agreements. Atmos will be obligated to take the FOM base load quantity everyday of the applicable month unless notification of a sell back. As noted more specifically above in Section 3 Background, the difference between net purchases (the FOM plan purchases plus incremental quantities plus plan storage withdrawals less sell backs) and the actual Atmos usage swings on the “paper” inventory tracking account.

Regardless of how Asset Manager physically balances, the NNS contracts take the swing on Atmos paper balance. Atmos will have the right to call for firm incremental quantities on a daily basis, including weekends and holidays, up to the full MDQ by providing the Asset Manager notice no later than 8:00 A.M. Central Time on the business day prior to flow.

It is the Asset Manager's responsibility to provide daily written communication on how the firm requirements are being met. The Asset Manager must provide Atmos' Gas Control department with a summary nomination worksheet (sample shown as **Attachment F, Gas Control Nomination Sheet**), containing the current day nominations plus nominations for the next five days. This worksheet shall be provided every weekday (except holidays) regardless, even if there are no changes. Nominations must reach Atmos' Gas Control by 2:00 pm CT either via email at gcontrol@atmosenergy.com or via fax at 615.790.9337.

7 Proposal Content

The following information is required to be considered responsive to this RFP unless the proposing entity can clearly demonstrate that such information is not applicable to its circumstance. Any additional information that the supplier considers useful for Atmos to evaluate its proposal will be considered. Atmos may request additional information at a later date to assist in the decision making process.

Respondent Information

- Name and address of supplier
- Name, phone, and email of contact person for this proposal
- Evidence of supplier's knowledge and experience in providing service proposed
- Evidence of supplier's financial viability to provide the service proposed
- Business References

Respondent Term and Conditions

Respondent must provide any NAESB special provisions, and/or any required changes to Atmos' special provisions. Respondent must provide any special terms required in the transaction confirmation.

Proposals should be structured to provide firm gas supplies up to the maximum contract quantity indicated on **Attachment D**. Proposals should present firm commodity sales based upon the pricing methodology described below:

Commodity Pricing

- Please use the Bid Form provided as **Attachment A**.
- First-of-month baseload purchases should be index based pricing, at a price equal to the simple average of the following two indices, IFERC and NYMEX, plus (+) a premium or minus (-) a discount:
 - The “Inside FERC’s Gas Market Report” first-of-month posting **Texas Gas Transmission, Zone SL** for TGT FOM, **Trunkline Gas , Louisiana** for Trunkline FOM, and **ANR, Louisiana** for FOM delivered supply into East Diamond Storage.
 - The New York Mercantile Exchange, NYMEX Henry Hub last day settlement price for the applicable business month of flow.
- Incremental purchases, in excess of the first-of-month baseload purchase volumes, should be priced at the Gas Daily, Daily price survey midpoint index, Texas Gas Transmission, Zone SL for TGT incremental and **Trunkline Gas, WLA** for Trunkline incremental, plus (+) a premium or minus (-) a discount.
- Bids shall include pricing for Atmos to sell FOM supply back to the Asset Manager at a price equal to the Gas Daily, Daily price survey midpoint index Texas Gas Transmission - Zone SL for TGT sellbacks and **Trunkline Gas WLA** for Trunkline sellbacks, plus (+) a premium or minus (-) a discount.
- All charges upstream of Atmos’ pipeline contracts receipt points shall be the sole responsibility of the asset manager.
- Bids should specify whether fuel and other variables are included in or are in addition to the bid price. Additionally, where delivered services are provided, all charges upstream of the delivery points shall be the sole responsibility of the Asset Manager unless specifically indentified on the bid form.
- Intraday purchases will be at a mutually agreeable price, and confirmed at the time of purchase. If the parties cannot agree on intraday pricing Atmos has the right to purchase intraday gas from other suppliers, and the Asset Manager is responsible for scheduling the alternative supply.

Capacity Utilization Pricing

The Asset Manager will have the opportunity to optimize transportation and storage assets, subject to the obligation to utilize these assets to supply Atmos’ full system requirements. Value for asset optimization should be proposed in the form of a fixed upfront or periodic payment. Proposals should specifically identify this as a Capacity Release/Capacity Utilization credit and should be expressed by month or in annual terms.

Delivered Service Demand Charges

The demand charge associated with delivered services should be specifically identified on **Attachment A** under the Delivered Service Demand Charge line, and the respondent should also provide a schedule calculating monthly the demand charge detail.

Bidders are highly encouraged to use the above preferred pricing in their proposal and the bid forms provided. Atmos may consider proposals having alternate index points and other forms of valuation for asset management activities.

8 Evaluation Criteria

Proposals will be judged on respondent's ability to meet the economical and reliable natural gas needs of Atmos. The principal criteria to be used are as follows: total delivered cost of gas supply over the term of the contract, reliability of the supply, and the financial viability of the respondent. Atmos has the right to consider any other factors that it deems relevant to Atmos' gas supply needs.

9 Evaluation Duration

The Bidder must leave the proposal open for a fifteen (15) business-day evaluation period after the submittal deadline.

10 Proprietary Data in Proposal

A proposal may include data which the respondent deems confidential and not used by Atmos for any purpose other than proposal evaluation. Reasonable care will be exercised so that proposal data is not disclosed or used without the respondent's permission, except to meet regulatory filing requirements. Such data filed for regulatory requests shall be filed as confidential information.

11 Rejections of Proposal

Any proposal may be modified prior to the submittal deadline by written request of the bidder. Atmos reserves the right to reject any or all proposals, and to re-solicit for proposals in the event that all proposals are rejected.

**ATTACHMENT A
Atmos Energy Corporation - Bid Form
Kentucky/Mid-States Division**

Bidding Company : _____ Contact Name : _____
 _____ Contact Phone # : _____
 _____ Contact Email : _____

Index Based Commodity Bid

Kentucky:	Comments/Other rates:	Sellback Terms and Index
Base Load Supply:		
Texas Gas Transmission, Zone SL Pool	(IFERC TGT Zone SL + NYMEX Close)/2	(+) or (-) \$ _____ per dth
Trunkline, Louisiana	(IFERC Trunkline, La + NYMEX Close)/2	(+) or (-) \$ _____ per dth
Delivered Supply to East Diamond from ANR*	(IFERC ANR LA + NYMEX Close)/2	(+) or (-) \$ _____ per dth
Swing Supply:		
Texas Gas Transmission, Zone SL Pool	Gas Daily Daily Tx, Gas Zone SL Midpoint	(+) or (-) \$ _____ per dth
Trunkline, Louisiana	Gas Daily Daily Trunkline, WLA Midpoint	(+) or (-) \$ _____ per dth
Delivered Supply to East Diamond from ANR*	Gas Daily ANR LA Midpoint	(+) or (-) \$ _____ per dth

*If there are any incremental demand charges or fuel, please note in comment section.

Capacity Release/Capacity Utilization Annual Payment Bid

Annual Value to Atmos for Asset Manager's optimization of Transportation and Storage Assets: \$ _____ annual
 Annual Value from Atmos for all Delivered Service Demand Charges (demand charges totaled from above): \$ _____ annual

(Positive signifies payment/credit to Atmos, negative signifies a charge to Atmos)

Value should be provided in the form of a fixed upfront or annualized periodic payment or credit.

Asset Manager must be able to provide gas at primary receipt points when secondary points are curtailed.

Asset Manager shall dispatch gas to Atmos using the least cost supply first, acting in the best interest of Atmos at all times. Atmos may request documentation substantiating optimal dispatching and provide such documentation in response to regulatory requests. In bidding on this RFP, Asset Manager indicates understanding and acceptance of this requirement.

Attachment B

Atmos Energy Corporation
 Kentucky Gas Supply Seasonal Plan
 Winter 2010-2011
 All Volumes MMBTU

Texas Gas Area		Nov-10		Dec-10		Jan-11		Feb-11		Mar-11		151	
		Monthly	Daily	Monthly	Daily	Monthly	Daily	Monthly	Daily	Monthly	Daily	Total	Monthly
Zone 2													
	Texas Gas Purchase	90,700	3,023	106,500	3,435	123,300	3,977	149,500	5,339	3,200	103	473,200	
	Texas Gas - NNS Storage Withdrawals	172,000	5,733	307,100	9,906	307,100	9,906	245,700	8,775	196,600	6,342	1,228,500	
	Trunkline Purchase	90,000	3,000	124,000	4,000	124,000	4,000	112,000	4,000	77,500	2,500	527,500	
	Total	352,700	11,757	537,600	17,342	554,400	17,884	507,200	18,114	277,300	8,945	2,229,200	
Zone 3													
	Texas Gas Purchase	419,300	13,977	576,500	18,597	732,300	23,623	283,267	10,117	51,995	1,677	2,063,362	
	Texas Gas - NNS Storage Withdrawals	378,000	12,600	472,500	15,242	472,500	15,242	378,000	13,500	189,000	6,097	1,890,000	
	Owensboro Storage Group Withdrawals	112,000	3,733	262,000	8,452	329,000	10,613	316,000	11,286	296,000	9,548	1,315,000	
	Madisonville Storage Group Withdrawals	211,000	7,033	498,000	16,065	622,000	20,065	598,000	21,357	560,000	18,065	2,489,000	
	East Diamond Storage Withdrawals	124,000	4,133	292,000	9,419	365,000	11,774	351,000	12,536	329,000	10,613	1,461,000	
	ANR Pipeline	0	0	0	0	0	0	0	0	0	0	0	
	Midwest	0	0	0	0	0	0	0	0	0	0	0	
	Total	1,244,300	41,477	2,101,000	67,774	2,520,800	81,316	1,926,267	68,795	1,425,995	46,000	9,218,362	
Zone 4													
	Texas Gas Purchase	76,800	2,560	121,300	3,913	168,400	5,432	83,600	2,986	81,600	2,632	531,700	
	Texas Gas - NNS Storage Withdrawals	47,400	1,580	84,600	2,729	84,600	2,729	67,700	2,418	54,200	1,748	338,500	
	Total	124,200	4,140	205,900	6,642	253,000	8,161	151,300	5,404	135,800	4,381	870,200	
Total Texas Gas Purchase		586,800	19,560	804,300	25,945	1,024,000	33,032	516,367	18,442	136,795	4,413	3,068,262	
Total Trunkline Purchase		90,000	3,000	124,000	4,000	124,000	4,000	112,000	4,000	77,500	2,500	527,500	
Total ANR		0	0	0	0	0	0	0	0	0	0	0	
Total Midwest		0	0	0	0	0	0	0	0	0	0	0	
Total Purchases		676,800	22,560	928,300	29,945	1,148,000	37,032	628,367	22,442	214,295	6,913	3,595,762	
Total NNS and Storage		1,044,400	34,813	1,916,200	61,813	2,180,200	70,329	1,956,400	69,871	1,624,800	52,413	8,722,000	
Total Requirements		1,721,200	57,373	2,844,500	91,758	3,328,200	107,361	2,584,767	92,313	1,839,095	59,326	12,317,762	

Note 1: Purchases reflect total requirements less anticipated winter storage withdrawal.

Attachment B

Almos Energy Corporation
 Kentucky Gas Supply Seasonal Plan
 Summer 2010
 All Volumes MMBTU

Planned Req.	Current Asset Manager Will Manage in 2011*				30	31	31	30	31	30	31	30	31	30	31	30	31	30	31	214 Total Monthly	
	Apr-10 Monthly	May-10 Monthly	Jun-10 Monthly	Jul-10 Monthly																	Aug-10 Monthly
Zone 2																					
Texas Gas Req	236,700	7,890	24,260	163,300	5,677	170,300	5,294	163,800	5,294	136,900	4,416	153,100	5,103	188,600	6,084	1,217,700					
Trunkline Req	30,000	1,000	0	31,000	1,000	30,000	1,000	31,000	1,000	31,000	1,000	30,000	1,000	31,000	1,000	214,000					
Total Req	266,700	8,890	24,260	194,300	6,677	200,300	6,294	194,800	6,294	167,900	5,416	183,100	6,103	219,600	7,084	1,431,700					
Zone 3																					
Texas Gas Req	727,800	24,260	0	335,100	7,387	221,600	6,316	195,800	6,316	212,200	6,845	272,200	9,073	560,300	18,074	2,526,000					
ANR Req	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
Midwest Req	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
Total Req	727,800	24,260	0	335,100	7,387	221,600	6,316	195,800	6,316	212,200	6,845	272,200	9,073	560,300	18,074	2,526,000					
Zone 4																					
Texas Gas Req	91,300	3,043	0	70,000	2,030	60,900	1,897	58,800	1,897	60,100	1,939	64,900	2,163	74,100	2,390	480,100					
TOTAL REQ	1,085,800	36,193	24,260	605,400	16,093	482,800	14,497	449,400	14,497	440,200	14,200	520,200	17,340	654,000	27,548	4,437,800					
NNS Storage Injections	353,385	11,780	0	546,084	18,203	546,084	17,616	546,084	17,616	546,084	17,616	546,084	18,203	373,232	12,040	3,457,037					
Owensboro Storage Group Injections	197,000	6,567	0	197,000	6,567	197,000	6,355	197,000	6,355	197,000	6,355	197,000	6,567	132,281	4,267	1,314,281					
Madisonville Storage Group Injections	373,000	12,433	0	373,000	12,433	373,000	12,032	373,000	12,032	373,000	12,032	373,000	12,433	250,110	8,068	2,488,110					
East Diamond Storage Injections (ANR Delivered)	219,000	7,300	0	219,000	7,300	219,000	7,065	219,000	7,065	219,000	7,065	219,000	7,300	147,250	4,750	1,461,250					
Total Storage Injections	1,142,385	38,080	0	1,335,084	44,503	1,335,084	43,067	1,335,084	43,067	1,335,084	43,067	1,335,084	44,503	902,873	29,125	8,720,678					
Total Texas Gas Purchases	2,198,185	73,273	0	1,909,484	59,596	1,787,884	56,564	1,753,484	56,564	1,744,284	56,267	1,825,284	60,843	1,725,873	55,673	12,944,478					
Total Trunkline Purchases	30,000	1,000	0	31,000	1,000	30,000	1,000	31,000	1,000	31,000	1,000	30,000	1,000	31,000	1,000	214,000					
Total ANR Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
Total Midwest Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
Total Purchases	2,228,185	74,273	0	1,940,484	60,596	1,817,884	57,564	1,784,484	57,564	1,775,284	57,267	1,855,284	61,843	1,756,873	56,673	13,158,478					
Zone 3																					
WKG Storage - Zone 3	789,000	26,300	0	789,000	26,300	789,000	25,452	789,000	25,452	789,000	25,452	789,000	26,300	529,641	17,085	5,263,641					

STORAGE ALLOCATIONS

FOR INVOICING

NNS Zone 2	125,560	4,166	0	194,058	6,260	194,058	6,260	194,058	6,260	194,058	6,260	194,058	6,469	132,633	4,278	1,228,501	36%
NNS Zone 3	193,200	6,440	0	298,550	9,952	298,550	9,631	298,550	9,631	298,550	9,631	298,550	9,952	204,050	6,582	1,890,001	55%
NNS Zone 4	34,606	1,154	0	53,476	1,725	53,476	1,725	53,476	1,725	53,476	1,725	53,476	1,783	36,549	1,179	338,535	10%
NNS Total	353,385	11,780	0	546,084	17,616	546,084	17,616	546,084	17,616	546,084	17,616	546,084	18,203	373,232	12,040	3,457,037	
WKG Storage - Zone 3	789,000	26,300	0	789,000	26,300	789,000	25,452	789,000	25,452	789,000	25,452	789,000	26,300	529,641	17,085	5,263,641	

Note 1: Purchases include planned NNS storage injection quantities

*An Asset Manager should assume beginning storage inventories on June 1, 2011 of approximately 35% of the MSQ on all non Texas Gas storage fields. The beginning storage inventories on the Texas Gas NNS contracts will be approximately 30% of the MSQ on June 1, 2011.

ATTACHMENT C

**ATMOS ENERGY CORPORATION
Livermore Supply and Transportation Details**

Supply Agreement through October 31, 2013

Month	Monthly Purchase Volume
July-11	880
August-11	670
September-11	680
October-11	1,015
November-11	2,300

Texas Gas Transmission Contract

Rate Schedule	Contract #	Termination	Renewals	Notice	Service	MDQ	Receipt Pt	Rcpt Pt Dth/d	Rcpt Pt Dth/d	Primary Delivery Pt	Delivery Point MDQ
NNS	31185	10/31/2013	5 years	1 year	NNS	1,500		Nov-Mar	Apr-Oct	1502 Livermore Shipper	Nov-Mar 1,500 Apr 1,107 May-Sept 330 Oct 1,357
								2102 Champlin	31		
								2632 Dubach	63		
								9422 Unocal-Freshwater Bayou	182		
								9003 Egan	60		
								9446 Lowry	50		
								9880 ANR -Eunice	62		

Texas Gas Storage Information

MSQ 27,750 MMBtu
MDIQ

% Unominated Seasonal Qty Injected	Max Available Injection Rate (% of USQ)
0% - 65%	1.3%
65% - 90%	1.1%
> 90%	0.6%

% USQ Withdrawn	% UDQ Available
75%	90%
80%	85%
85%	80%
90%	75%

ATTACHMENT D

ATMOS ENERGY CORPORATION
CONTRACT SUMMARY - TGT PIPELINE CONTRACTS

Texas Gas Transmission

Rate Schedule	Contract #	Termination	Renewals	Notice Service	MDQ	Receptl Pt	Rcpt Pt	Rcpt Pt	Primary	Delivery Pt	MDQ	Comments	
	29760	10/31/2015	5 years	1 year	NNS 45,500		Nov-Mar	Apr-Oct	1885 KY Z-2 Deduct	Nov-Mar	Apr	May-Sept	Oct
						9461 Olin-McGoldrick	0	4,250	1885 KY Z-2 Deduct	45,500	36,367	22,292	40,177
						2102 Champlin	3,017	3,017					
						2288 GR So-Mowata #2	730	730					
						2790 Henry-Hub	5,020	5,020					
						2840 Unocal-N Freshwater Bayou	2,902	2,902					
						9836 Texaco-Dog Lake	2,035	2,035					
						9895 Texas Power-Egan	2,035	2,035					
						9415 Tejas Power-Egan	3,977	3,977					
						2392 LRC-Grand Chemiere	2,976	2,976					
						9843 Mobil-Lowry	1,112	1,112					
						1885 KY Z-2 Deduct	26,450	22,282					
						2020 Arkla-Perryville	2,000	2,000					
						8760 Gulf South-Lonewa	6,039	1,789					
						9880 ANR -Eunice	5,734	5,734					

Rate Schedule	Contract #	Termination	Renewals	Notice Service	MDQ	Receptl Pt	Rcpt Pt	Rcpt Pt	Primary	Delivery Pt	MDQ	Comments	
	29762	10/31/2015	5 years	1 year	NNS 81,000		Nov-Mar	Apr-Oct	1985 KY Z-3 SLM Deduct	Nov-Mar	Apr	May-Sept	Oct
						9461 Olin-McGoldrick	6,457	0	1985 KY Z-3 SLM Deduct	4,851	4,851	4,035	4,851
						2102 Champlin	6,078	14,202	1988 KY Z-3 SLE Deduct	3,611	3,611	3,003	3,611
						2288 GR So-Mowata #2	1,223	1,223	1989 KY Z-3 SBG Deduct	54,896	54,896	45,663	54,896
						2790 Henry-Hub	0	15,519	1990 KY Z-3 SLN Deduct	5,362	5,362	4,460	5,362
						2840 Unocal-N Freshwater Bayou	768	768	1995 KY Z-3 Mainline Deduct	12,280	12,280	10,214	12,280
						9173 ANR-Calumet	0	8,941					
						9829 Trunkline-Centerville	30,623	0					
						9836 Texaco-Dog Lake	35	35					
						9895 Texas Power-Egan	3,065	3,065					
						9415 Tejas Power-Egan	12,249	12,249					
						2033 Little Chemier-ARCO	1,649	1,649					
						2392 LRC-Grand Chemiere	6,024	6,024					
						9446 Lowry	1	104					
						9843 Mobil-Lowry	2,865	2,763					
						9303 Helena No. 2	4,622	4,622					
						2020 Arkla-Perryville	6,650	6,650					
						8760 Gulf South-Lonewa	5,708	4,041					
						9880 ANR -Eunice	14,260	14,260					
						1995 KY Z-3 Deduct	64,717	67,375					

Rate Schedule	Contract #	Termination	Renewals	Notice Service	MDQ	Receptl Pt	Rcpt Pt	Rcpt Pt	Primary	Delivery Pt	MDQ	Comments	
	29763	10/31/2015	5 years	1 year	NNS 13,500		Nov-Mar	Apr-Oct	1981 KY Z-4 Deduct	Nov-Mar	Apr	May-Sept	Oct
						2102 Champlin	1,064	1,064	1981 KY Z-4 Deduct	13,500	6,638	4,625	9,984
						2288 GR So-Mowata #2	258	258					
						2790 Henry-Hub	221	221					
						2840 Unocal-N Freshwater Bayou	330	330					
						9836 Texaco-Dog Lake	1,030	1,030					
						9895 Texas Power-Egan	1,030	1,030					
						9415 Tejas Power-Egan	908	908					
						2033 Little Chemier-ARCO	1,050	1,050					
						9843 Mobil-Lowry	392	392					
						2020 Arkla-Perryville	2,000	2,000					
						8760 Gulf South-Lonewa	2,131	2,131					
						9045 Lebanon-REX	3,038	2,534					
						9880 ANR -Eunice	2,023	2,023					
						1981 KY Z-4 Deduct	7,773	4,625					

ATTACHMENT D

ATMOS ENERGY CORPORATION
CONTRACT SUMMARY - TGT PIPELINE CONTRACTS

Texas Gas Transmission

FT	29759	10/31/2015	5 years	1 year	FT	13,500	Jan-Dec	Nov-Mar	April	May-Sept	Oct	
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	2102 Champlin	4,595	1985 KY Z-3 SLM Deduct	774	3,500	3,500	180	180	180	180	180	* Discount - Texas Gas' max FT demand rate less \$.0370 per MMBtu of contract demand
	2288 GR So-Mowata #2	472	1988 KY Z-3 SLE Deduct	10,166	600	600	100	100	100	100	100	contract demand
	2740 Superior-Pure	122	1988 KY Z-3 SBG Deduct	898	900	900	100	100	100	100	100	
	2790 Henry Hub	135	1990 KY Z-3 SLN Deduct	669	100	100	100	100	100	100	100	
	2601 Fina Oil-Anslern Coulee	47	1995 KY Z-3 Mainline Deduct	993	8,400	8,400	500	500	500	500	500	
	2463 Toce Oil	563										
	2638 Coon Point	450										
	2755 Texaco-Bay Junop	7,539										
	9415 Tejas Power-Egan	2,516										
	9860 ANR-Eunice	471										

FT	29761	10/31/2015	5 years	1 year	FT	3,000	Jan-Dec	Nov-Mar	April	May-Sept	Oct	
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	9880 ANR-Eunice	3,000	1985 KY Z-3 SLM Deduct	200	180	180	180	180	180	180	180	* Discount - Texas Gas' max FT demand rate, less \$.0150 per MMBtu of contract demand, Texas Gas' max commodity rate, less \$.005 per MMBtu, plus applicable surcharges and fuel
			1988 KY Z-3 SLE Deduct	134	100	100	100	100	100	100	100	
			1988 KY Z-3 SBG Deduct	2,032	100	100	100	100	100	100	100	
			1990 KY Z-3 SLN Deduct	199	2,100	2,100	2,100	2,100	2,100	2,100	2,100	
			1995 KY Z-3 Mainline Deduct	455	500	500	500	500	500	500	500	

FT	29765	10/31/2015	5 years	1 year	FT	3,500	Nov-Mar-Apr-Oct	Nov-Mar	April	May-Sept	Oct	
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	2790 Henry Hub	3,596	3,596 1981 KY Z-4 Deduct	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	* Discount - Texas Gas' max FT demand rate less \$.0370 per MMBtu of contract demand
	9415 Tejas Power-Egan	1,151										
	9045 Lebanon-REX	1,368										
	1981 Atmos KY Z-4 Deduct	3,500										

FT	31097	10/31/2015	5 years	1 year	FT	1,500	Jan-Dec	Nov-Mar	April	May-Sept	Oct	
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	2102 Champlin	511	1981 KY Z-4 Deduct	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	* Discount - Texas Gas' max FT demand rate less \$.0370 per MMBtu of contract demand
	2288 GR So-Mowata #2	52										
	2740 Superior-Pure	14										
	2790 Henry Hub	15										
	2601 Fina Oil-Anslern Coulee	5										
	2463 Toce Oil	61										
	2638 Coon Point	50										
	2755 Texaco-Bay Junop	838										
	9415 Tejas Power-Egan	280										
	9860 ANR-Eunice	52										

* To the extent that Atmos or its Replacement Shipper delivers gas to an alternate delivery point on any day, then the discounted demand and commodity rates provided above shall not apply to an equivalent portion of Atmos' contract demand.

ATTACHMENT D

ATMOS ENERGY CORPORATION
 CONTRACT SUMMARY - TRUNKLINE PIPELINE CONTRACTS

Trunkline Gas Company		Contract #	Termination	Notice	Service	MDQ	Dth	Months	Primary Receipt Pt	Primary Delivery Pt	Comments
FT	14573	10/31/2011 Evergreen	6 months	Firm Transport	4,000 1,000	Nov-Mar Apr-Oct	80274 St 165-Stone Ener St Blk 165/ Terrebonne, LA	82041 West Paducah-Atmos	MDDQ 4,000 November 1 - March 31 1,000 April 1 - October 31 Discount Rate \$.24/Dth/d - expires 10/31/11 for receipts/deliveries at primary points		

NOTE: Contract will be extended through 10/31/2012,
 with the following receipt pt change effective 11/01/2011:

81718 Lakeside - NGPL
 secondary receipts , WLA, Z1A

82041 West Paducah-Atmos

ATTACHMENT D

ATMOS ENERGY CORPORATION
 CONTRACT SUMMARY - BEHIND CITY GATE STORAGE

Facility	Group	Location	Working Capacity (Mcf)	Maximum Daily Delivery Capability (Mcf)
Company-Owned Storage				
St. Charles	Madisonville	Hopkins County, KY	2,685,196	44,600
Bon Harbor	Owensboro	Daviess County, KY	778,600	24,000
Hickory	Owensboro	Daviess County, KY	451,600	24,000
Grandview	Owensboro	Daviess County, KY	305,400	4,500
Kirkwood	Madisonville	Hopkins County, KY	221,900	12,000
Atmos Kentucky Company Owned Total			4,442,696	109,100
Madisonville Group SubTotal (see ratchet information below)			2,907,096	56,600
Owensboro Group SubTotal (see ratchet information below)			1,535,600	52,500
Contract Storage				
East Diamond (see ratchet information below)		Hopkins County, KY	1,750,000	20,000

<u>Ratchets for Co-Owned Owensboro Group</u>		Ratchet Level	MSQ	
			1,535,600	Note 1
			<u>MDIQ</u>	
Maximum Daily Injection Quantity			30,600	
			<u>MDWQ</u>	
Maximum Daily Withdrawal Quantity	If Balance is 1 5356 Bcf to 1 38 Bcf (90% - 100%)		35,600	Note 2
	If Balance is 1 38 Bcf to 1 23 Bcf (80% - 90%)		33,000	
	If Balance is 1 23 Bcf to 1 07 Bcf (70% - 80%)		30,400	
	If Balance is 1 07 Bcf to 0 92 Bcf (60% - 70%)		27,700	
	If Balance is 0 92 Bcf to 0 77 Bcf (50% - 60%)		25,100	
	If Balance is 0 77 Bcf to 0 61 Bcf (40% - 50%)		22,500	
	If Balance is 0 61 Bcf to 0 46 Bcf (30% - 40%)		19,900	
	If Balance is 0 46 Bcf to 0 31 Bcf (20% - 30%)		17,200	
	If Balance is 0 31 Bcf to 0 15 Bcf (10% - 20%)		14,600	
	If Balance is 0 15 Bcf or less (< 10%)		12,000	

Note 1: Storage capacity is stated in MCF

Note 2: The storage withdrawal ratchet schedule is provided for informational purposes only and in no way represents contractual withdrawal rights. Withdrawal quantities are approximate. Additional withdrawals may be possible, and minimum withdrawal quantities are not guaranteed.

<u>Ratchets for Co-Owned Madisonville Group</u>		Ratchet Level	MSQ	
			2,907,096	Note 1
			<u>MDIQ</u>	
Maximum Daily Injection Quantity			23,000	
			<u>MDWQ</u>	
Maximum Daily Withdrawal Quantity	If Balance is 2 9071 Bcf to 2 62 Bcf (90% - 100%)		33,600	Note 2
	If Balance is 2 62 Bcf to 2 33 Bcf (80% - 90%)		30,500	
	If Balance is 2 33 Bcf to 2 04 Bcf (70% - 80%)		27,400	
	If Balance is 2 04 Bcf to 1 74 Bcf (60% - 70%)		24,400	
	If Balance is 1 74 Bcf to 1 45 Bcf (50% - 60%)		21,300	
	If Balance is 1 45 Bcf to 1 16 Bcf (40% - 50%)		18,200	
	If Balance is 1 16 Bcf to 0 87 Bcf (30% - 40%)		15,200	
	If Balance is 0 87 Bcf to 0 58 Bcf (20% - 30%)		12,100	
	If Balance is 0 58 Bcf to 0 29 Bcf (10% - 20%)		9,100	
	If Balance is 0 29 Bcf or less (< 10%)		6,000	

Note 1: Storage capacity is stated in MCF

Note 2: The storage withdrawal ratchet schedule is provided for informational purposes only and in no way represents contractual withdrawal rights. Withdrawal quantities are approximate. Additional withdrawals may be possible, and minimum withdrawal quantities are not guaranteed.

<u>Ratchets for Contract Storage East Diamond</u>		Ratchet Level	MSQ	
			1,750,000	Note 1
			<u>MDIQ</u>	
Maximum Daily Injection Quantity	If Balance is 0 44 Bcf or less (0% - 25%)		20,000	Note 2
	If Balance is 1 31 Bcf to 0 44 Bcf (25% - 75%)		15,000	
	If Balance is 1 75 Bcf to 1 31 Bcf (75% - 100%)		10,000	
			<u>MDWQ</u>	
Maximum Daily Withdrawal Quantity	If Balance is 1 75 Bcf to 0 88 Bcf (50% - 100%)		20,000	Note 2
	If Balance is 0 88 Bcf to 0 44 Bcf (25% - 50%)		12,500	
	If Balance is 0 44 Bcf or less (0% - 25%)		7,500	

Note 1: Storage capacity is stated in MCF

Note 2: The storage withdrawal ratchet schedule is provided for informational purposes only and in no way represents contractual withdrawal rights. Withdrawal quantities are approximate. Additional withdrawals may be possible, and minimum withdrawal quantities are not guaranteed.

Attachment E

CAUSES RELATED THERETO, INCLUDING WITHOUT LIMITATION, THE SOLE, JOINT, CONCURRENT, CONTRIBUTORY, AND/OR COMPARATIVE NEGLIGENCE (WHETHER GROSS OR SIMPLE, OR ACTIVE OR PASSIVE), STRICT LIABILITY, OR OTHER FAULT OF ANY PARTY. No transaction shall be invalidated should a Transaction Tape be erased for any reason or a malfunction occur in equipment utilized for recording transactions or retaining Transaction Tapes or the operation thereof. The parties hereby consent to the electronic recording of their oral agreements and related telephone discussions.

(c) Waiver of Statute of Frauds: **THE PARTIES HEREBY WAIVE ALL PROVISIONS OF ANY APPLICABLE STATUTE OF FRAUDS WITH RESPECT TO ANY TRANSACTIONS SUBJECT TO THIS CONTRACT; PROVIDED HOWEVER, AMENDMENTS TO THE CONTRACT MUST BE IN WRITING AND SIGNED BY THE PARTIES.** The parties agree not to contest or assert a defense to the validity or enforceability of transaction entered into orally under laws relating to whether certain agreements are to be in writing or signed by the party to be thereby bound.

1.3 Confirmation of a Transaction:

(a) The Confirming Party shall and the other party may confirm the terms of a transaction by transmitting to the other party a written Transaction Confirmation by any reasonable means, including, without limitation, by facsimile (including, without limitation e-fax and/or computer facsimile), hand delivery, courier, or certified mail (return receipt requested) or other mutually agreeable electronic means. Failure by any party to send, or the party to return a Transaction Confirmation shall not invalidate any transaction. Each party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation and as the identification and authentication of such party. Notwithstanding the definition of Transaction Confirmation in Section 2, "Transaction Confirmation" means for the purposes of delivery to a receiving party, a writing in any reasonable form containing all of the material terms of the transaction, including, without limitation, the form of Exhibit A attached hereto.

(b) If a sending party's Transaction Confirmation is materially different from the receiving party's understanding of the terms of a transaction, such receiving party shall notify the sending party of any such material differences in writing by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party before the Confirm Deadline.

(c) Unless the receiving party has previously timely sent a written Transaction Confirmation to the sending party, the failure of the receiving party to so notify the sending party of any such material differences in writing by the Confirm Deadline constitutes the receiving party's acceptance of the description of the terms of the transaction in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction or if the receiving party has timely objected to the terms of the sending party's Transaction Confirmation, such transaction remains valid and the parties remain legally bound thereby, however, both parties shall in good faith attempt to resolve such differences. Once such material differences are resolved, either party may transmit a written Transaction Confirmation to the other party, and such Transaction Confirmation shall be accepted (or disputed) pursuant to the provisions of this Section 1.3. The provisions of this Section 1.3 may be repeated as many times as necessary to produce a written Transaction Confirmation that is accepted or deemed accepted by the receiving party.

Attachment E

(d) A written Transaction Confirmation and any other writing related to or in response to a Transaction Confirmation shall be deemed delivered to the receiving party (i) when actually received by the receiving party or (ii) with respect to a written Transaction Confirmation and other writing delivered by facsimile, when the sending party's facsimile machine indicates by an electronic or written facsimile log that the receiving party's facsimile machine received such written Transaction Confirmation.

(e) The sending party shall not be required to maintain or retain a paper-based version of the written Transaction Confirmation delivered to the receiving party. In addition to a paper-based version of the written Transaction Confirmation delivered to the receiving party, the following shall constitute a "written Transaction Confirmation" for all purposes of this Contract: (i) an electronic image of a paper-based version of the written Transaction Confirmation, and/or (ii) data in the sending party's computer system.

(f) In the absence of a written Transaction Confirmation that the parties have signed or are deemed to have accepted, any evidence may be used to establish the terms of a transaction, including, without limitation, a Transaction Tape oral testimony, data in a computer system, trade tickets, and/or notes. If a Transaction Confirmation exists which the parties have signed or are deemed to have accepted, in the event of a conflict between the terms of the written Transaction Confirmation and any other evidence of the terms of a transaction (including, without limitation, a Transaction Tape, oral testimony, data in a computer system, trade tickets, and/or notes), the terms of the written Transaction Confirmation shall control to the extent of any such conflict.

1.4 Transaction Confirmations Do Not Amend Certain Terms: Transaction Confirmations shall not amend the terms of the Contract related to events of default, liquidated damages, settlement or termination payments unless a Transaction Confirmation is in writing and signed by both parties.

SECTION 2. DEFINITIONS

Delete the existing definition in Section 2.11 of "Credit Support Obligation(s)" and substitute the following:

2.11 "Credit Support Obligation(s)" shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a performance bond, guaranty or other mutually acceptable form of security.

SECTION 3. PERFORMANCE OBLIGATION

The following new Section 3.5 is added:

3.5 Notwithstanding anything in this Contract to the contrary, in the event: (i) a transaction has a Firm obligation; (ii) as a result from an event of Force Majeure Seller is unable to sell and deliver, or Buyer is unable to purchase and receive, the Contract Quantity for such transaction; (iii) the Delivery Period for such transaction is at least one month; and (iv) the Contract Price is a Fixed Price (as defined below), then

Attachment E

- a. If the FOM Price (as defined below) is above the Fixed Price, Seller will pay Buyer, for each MMBtu of Gas not delivered and/or received, the difference between the FOM Price and the Fixed Price.
- b. If the FOM Price is below the Fixed Price, Buyer will pay Seller, for each MMBtu of Gas not delivered and/or received, the difference between the Fixed Price and the FOM Price.

For purposes of this Section 3.5, the "Fixed Price" means the Contract Price for a transaction that is expressed as a set amount. Fixed Price includes prices that were converted from an index-based price or a NYMEX basis to a set amount upon the agreement of the parties or as a result of a party exercising a price option available to a party under a Transaction Confirmation that resulted in a maximum price or a minimum price.

For purposes of this Section 3.5, the "FOM Price" means the price per MMBtu, stated in the same currency as the transaction subject to such Force Majeure event, for the first of the month of delivery as published in the Inside FERC Gas Market Report (or such other published index as mutually agreed to by the parties), for the geographic location closest in proximity to the Delivery Point.

SECTION 8. TITLE, WARRANTY AND INDEMNITY

Section 8.3 is supplemented by inserting the following as the last sentence of that section:

Neither party shall be obligated to indemnify, defend, or hold the other party harmless to the extent any liability, suit, action, damage, loss or expense arises out of or in connection with any intentional act, negligent act or failure to act on the part of the other party, its officers, agents, or employees.

SECTION 10. FINANCIAL RESPONSIBILITY

Delete the existing Sections 10.1 and 10.2 and substitute the following in lieu thereof:

10.1 If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y), X may demand Adequate Assurance of Performance, which shall not exceed the amount calculated in accordance with the procedure for determining the Net Settlement Amount, as of the date of the demand, as if all transactions had been terminated plus all other outstanding amounts owed or accrued under the Contract. "Adequate Assurance of Performance" means sufficient security in the form, amount and for the term reasonably acceptable to X, including, but not limited to, an irrevocable standby letter of credit, a prepayment, a performance bond or guaranty (including the issuer of any such security). The "occurrence of a material change in the creditworthiness of Y" shall mean that on any date of determination either (i) the unsecured and unsubordinated long-term debt of Y (or Y's guarantor) is not rated by Standard & Poor's Ratings Group, a division of McGraw-Hill, Inc., or its successor ("S&P"), or by Moody's Investors Service, Inc. or its successor ("Moody's") or (ii) if so

Attachment E

rated, the higher rating then assigned to Y's (or Y's guarantor's) unsecured and unsubordinated long-term debt is less than BBB- by S&P or Baa3 by Moody's.

- 10.2 In the event (each an "Event of Default") either party (the "Defaulting Party") or its guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 not later than two Business Days after receipt of a written request by the other party; (viii) not have paid any amount due the other party hereunder on or before the second Business Day following receipt of written Notice that such payment is due; or (ix) fails to deliver or receive Gas if not remedied within three (3) Business Days, unless excused by the other party's non-performance or prevented by Force Majeure; then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder.

SECTION 11. FORCE MAJEURE

Section 11.2(iv) is deleted and the following is substituted in lieu thereof:

(iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, terrorism, insurrections or wars;

SECTION 14. MISCELLANEOUS

The following new Sections 14.12 and 14.13 are added:

14.12 This Contract shall be considered for all purposes prepared through the joint efforts of the parties and shall not be construed against one party or the other as a result of the manner in which this Contract was negotiated, prepared, drafted or executed.

14.13 If any index used to determine the price under a transaction ceases to be available, the parties agree to promptly negotiate on a good faith basis a mutually satisfactory alternate price or reference publication to take effect as of the date the prior index is unavailable. If the parties cannot agree on an alternative price or reference publication within thirty (30) days of the index ceasing to be available, then the parties shall refer the matter to binding arbitration. Arbitration shall be governed by the Federal Arbitration Act (9 U.S.C. Section 1, *et seq.*) and conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

THE PARTIES DO HEREBY REPRESENT AND WARRANT THAT THE GENERAL TERMS AND CONDITIONS OF THE BASE CONTRACT HAVE NOT BEEN MODIFIED, ALTERED,

Attachment E

OR AMENDED IN ANY RESPECT EXCEPT FOR THESE SPECIAL PROVISIONS WHICH ARE ATTACHED TO AND MADE A PART OF THE BASE CONTRACT.

ATMOS ENERGY CORPORATION

By: _____

By: _____

Title: _____

Kenny Malter
Vice President, Gas Supply & Services

SAMPLE ONLY

**WESTERN KENTUCKY-TGT
 NOMINATED VOL'S**

DATE/TIME STAMP

TO:
 gcontrol@atmosenergy.com
 phone number (800)-533-4781

FROM:
 Company Name
 Fax #:
 Name
 Email Address:

desk #:
 cell #:
 after hours name & #:

REVISED (INTRADAY) UPDATED (TIMELY)	IF REVISED INPUT TIME YES OR NO	Day of the Week Date	Day of the Week Date	Day of the Week Date	Day of the Week Date
ZONE 2					
K# (SYSTEM SUPPLY)	SCHEDULED				
TOTAL OTHER CONTRACTS	SCHEDULED				
TOTAL Z2 SYSTEM SUPPLY					
TOTAL Z2 AMA CAPACITY RELEASE UTILIZATION - ATMOS CONTRACTS					
NNS INJECTION	SWING RIGHTS				
NNS WITHDRAWAL	SWING RIGHTS				
Unused MDQ					
ZONE 3					
K# (SYSTEM SUPPLY)	SCHEDULED				
K# (SYSTEM SUPPLY)	SCHEDULED				
K# (SYSTEM SUPPLY)	SCHEDULED				
TOTAL OTHER CONTRACTS	SCHEDULED				
TOTAL Z3 SYSTEM SUPPLY					
TOTAL Z3 (CAPACITY UTILIZATION) SCHEDULED					
TOTAL Z3 (CAPACITY UTILIZATION) SCHEDULED					
TOTAL Z3 AMA CAPACITY RELEASE UTILIZATION - ATMOS CONTRACTS					
NNS INJECTION	SWING RIGHTS				
NNS WITHDRAWAL	SWING RIGHTS				
Unused MDQ					
ZONE 4					
K# (SYSTEM SUPPLY) #1981	SCHEDULED				
K# (SYSTEM SUPPLY)	SCHEDULED				
TOTAL OTHER CONTRACTS	SCHEDULED				
TOTAL Z4 SYSTEM SUPPLY					
TOTAL Z4 (CAPACITY UTILIZATION) SCHEDULED					
TOTAL Z4 (CAPACITY UTILIZATION) SCHEDULED					
TOTAL Z4 AMA CAPACITY RELEASE UTILIZATION - ATMOS CONTRACTS					
NNS INJECTION	SWING RIGHTS				
NNS WITHDRAWAL	SWING RIGHTS				
Unused MDQ					
TOTAL SYSTEM SUPPLY Z2+Z3+Z4 SCHEDULED					

Attachment F
 Atmos Energy Corporation
 Gas Control Nomination Sheet

East Diamond and Company--Owned Storage
 NOMINATED VOL'S

SAMPLE ONLY
 MUST BE COORDINATED WITH ATMOS GAS CONTROL

TO:
 gcontrol@atmosenergy.com
 phone number (800)-533-4781

FROM: 2/23/11 10:56 AM

Company Name
 Fax #:
 Name
 Email Address:
 desk #:
 cell #:
 after hours name & #:

	REVISED (INTRADAY) UPDATED (TIMELY)	IF REVISED INPUT TIME YES OR NO	Day of the Week		Day of the Week		Day of the Week		Day of the Week	
			Date	Date	Date	Date	Date	Date		
Withdrawal										
East Diamond										
Bon Harbor (Owensboro Group)										
Hickory (Owensboro Group)										
Grandview (Owensboro Group)										
St. Charles (Madisonville Group)										
Kirkwood (Madisonville Group)										
TOTAL WITHDRAWAL										
Injection										
East Diamond										
Bon Harbor (Owensboro Group)										
Hickory (Owensboro Group)										
Grandview (Owensboro Group)										
St. Charles (Madisonville Group)										
Kirkwood (Madisonville Group)										
TOTAL INJECTION										

Attachment G

General Items for Kentucky Service Area

- ◆ Certain assets may be unused after Asset Manager has supplied Atmos' full gas supply requirements, Asset Manager is willing to assume the obligations and risks that may lead to financial loss which accompany the potential for financial gain in connection with the value optimization of such otherwise unused assets.
- ◆ Asset manager acknowledges that it is paramount in its role as Asset Manager, that it take no action nor omit to take any action, under any circumstances, the result of which would impair or adversely affect the reliability of Atmos' system or service to its customers.
- ◆ Asset Manager shall dispatch gas to Atmos using the least cost supply first, acting in the best interest of Atmos. Atmos may request documentation substantiating optimal dispatching and provide such documentation in response to regulatory requests. Bidding on this RFP indicates understanding and acceptance of this requirement.
- ◆ **Asset Manager's rights to storage and associated transportation are secondary to Atmos' rights.**
- ◆ "Regulatory Out" language must be included in the Transaction Confirmation agreement addressing the potential of regulations which may render the agreement illegal or unenforceable or materially adversely affecting the ability of Atmos or the Asset Manager to perform this agreement. For either Party:
 1. a court or governmental agency with jurisdiction (including without limitation the Kentucky Public Service Commission or the Federal Energy Regulatory Commission) reverses, withdraws or otherwise modifies, with a result unacceptable to such party in its sole discretion, any applicable law, regulation order, ruling, opinion or other determination believed to be necessary to proceeding with the transactions contemplated under the Agreement;
 2. such change causes the impacted Party to incur any material capital or operating cost, or loss of opportunity, related to the provision or receipt of services contemplated herein, or performance according the terms of the agreement would be in violation of any applicable law, regulation, order, ruling or opinion, and
 3. the Parties are unable, after good faith negotiations, to renegotiate the Agreement to comply with such reversal, withdrawal or modification and maintain the same level of service or benefit.

For the Asset Manager: if a court or governmental agency with jurisdiction determines that the Asset Manager is subject to the jurisdiction of the Kentucky Public Service Commission as a result of the execution, delivery or performance of any Agreement.

- ◆ The selected Asset Manager is responsible for any penalties or incremental costs associated with non-compliance with any rule, regulation, or tariff provision of any Federal, State or local governing entities including Asset Manager's election to deviate from Atmos' planned flowing and storage gas injections and/or withdrawal requirements. In addition, the Asset Manager shall bear sole financial responsibility, and shall pay to the applicable pipeline company (or reimburse Atmos if required to pay) any imbalance or overrun penalty, cost, charge, or cash-out cost (collectively referred to in this Agreement as an "Imbalance Charge") assessed as a result of an over-delivery or under-delivery of gas. Failure to do so could result in the cancellation or termination of any contract entered into as a result of the award at Atmos' sole discretion. Furthermore, should Atmos elect to terminate the agreement, the Asset Manager will be responsible for any and all costs, including any price differentials and reasonable legal fees associated with Atmos replicating the contracted service with a replacement counterparty. All penalties imposed by any pipeline under this agreement due to the actions (or inaction) of the Asset Manager will be the responsibility of the Asset Manager.

- ◆ The Asset Manager will also be required to provide routine and timely documentation of all transactions, utilizing Atmos assets including but not limited to, contracts, volumes, rates, offers made, offers rejected. The Asset Manager shall maintain documents and records of all transactions that utilize Atmos' gas supply assets. All documents and records of such transactions shall be retained for two years after termination of the agreement and shall be subject to review and examination by Atmos and any applicable regulatory authority having jurisdiction. Asset Manager shall comply with all applicable federal and state laws, regulations and orders of regulatory authorities having jurisdiction in connection with its performance of its obligations under the agreement, the use and management of the managed assets and the supply of commodity to Atmos.

- ◆ Actual requirements, during each month, will result in variances from the initial Plan storage estimates. Asset Manager will track and report Atmos' "paper" storage inventory balances and the physical storage inventory balances during the Term in order to administer injections and withdrawals made on paper for billing purposes and the physical injections and withdrawals made by the Asset Manager. The "paper" inventory injections and withdrawals will be calculated each day based on the difference between the quantities scheduled and confirmed by the Asset Manager (purchased by Atmos Energy) on that day and the quantity metered at the City Gate excluding third party transportation quantities. Asset Manager and Atmos Energy will have weekly progress communications to review such quantities and inventory levels. During each month, Atmos will review the variance in the estimated storage levels resulting from actual requirements and the gas purchased, per the Gas Purchase Plan, for the current month. This evaluation may result in a change to the planned purchases for the subsequent months. Atmos will advise the Asset Manager of changes, if any, to the planned purchases for the upcoming month not later than five (5) business days prior to the beginning of the next flow month.

- ◆ For operational purposes, the Physical and Plan Storage inventory levels must be at the appropriate levels at the beginning of each winter season to ensure reliability of supply.
- ◆ If Atmos in its sole discretion deems the Asset Manager managing assets in a manner that jeopardizes Atmos' reliability Atmos will have the right to take any action including the immediate recall of capacity to ensure system integrity.



Riney Hancock CPAs
PSC

March 21, 2011

CONFIDENTIAL

RESPONSES

CONFIDENTIAL

ATMOS ENERGY CORPORATION

TGT/Trunkline RFP Analysis

CONFIDENTIAL

Recommendations for Atmos Energy Corporation
June 1, 2011 - October 31, 2015
Firm Gas Supply Requirements and Asset Management of Transportation/Storage Contracts
Kentucky Texas Gas/Trunkline
Submitted for Review April 13, 2011

Atmos Energy Corporation (AEC) Internal Document for Review (AEC) Internal Document for Review

CONFIDENTIAL

REDACTED

TXG/TRUNKLINE

1. TXG/Trunkline RFP
 2. Process Validation
 3. Responses
 4. Atmos Analysis
-

TGP

5. TGP RFP
6. Process Validation
7. Responses
8. Atmos Anaysis

February 14, 2011

RE: Request for Proposal
Asset Manager & Gas Supply Requirements

Atmos Energy Corporation is seeking proposals for firm gas commodity requirements and management of the transportation/storage contracts serving our Tennessee Gas Pipeline (TGP) Kentucky area. Attached are proposal guidelines and exhibits with supply requirements, receipt point capacity and estimated usage.

Proposals should be sent to Riney Hancock, CPAs (on behalf of Atmos) and must be received by 4:00 P.M CT on Monday, March 14, 2011. Atmos will evaluate the proposals received, and all respondents to this RFP will be notified whether or not they are selected as the asset manager.

We look forward to receiving your proposal.

Sincerely,

Kim Griffith
Gas Supply Specialist

**ATMOS ENERGY CORPORATION
GAS SUPPLY REQUEST FOR PROPOSAL (“RFP”)
FOR NATURAL GAS SUPPLY AND ASSET MANAGEMENT
KENTUCKY SERVICE AREA- TENNESSEE GAS PIPELINE
February 14, 2011**

1 RFP Overview

Atmos Energy Corporation (“Atmos”) is seeking proposals from qualified suppliers to provide firm natural gas commodity requirements and asset management of transportation and storage contracts for its Kentucky service area served by Tennessee Gas Pipeline (TGP). Proposals may be submitted on the attached Bid Form (see Attachment A). The term of the agreement will commence on June 1, 2011 and continue ten months through March 31, 2012.

**ALL PROPOSALS MUST BE PREPARED IN ACCORDANCE WITH RFP
REQUIREMENTS AND MUST BE RECEIVED IN WRITTEN FORM
ON OR BEFORE MONDAY MARCH 14, 2011, BY 4:00 PM CT.**

2 RFP Communication

Atmos has transitioned to only electronic RFP notifications. Potential bidders should register to view and receive electronic notification of Atmos’ RFPs through the Atmos Energy website at <https://www.atmosenergy.com/cs/gassupply/> and click on “Register.”

Any requests for additional information not contained in this RFP are required in writing. Requests should be submitted via the Atmos RFP website. Responses to reasonable requests will be available for viewing by all registered parties via the Atmos RFP website. The identity of the party requesting additional information will be kept confidential. In order to submit a question, please click on the “Questions and Answers for this Activity” tab and type in your question. Questions should be submitted no later than Monday, March 7, 2011. Responses will be posted as soon as possible on the Atmos RFP website, but no later than Wednesday, March 9, 2011.

3 Background

Kentucky Service Area – TGP

Atmos’ Kentucky weather normalized annual purchase requirements on TGP are approximately 2.6 Bcf for system supply. More detailed projected purchase volumes are provided in Attachment B Kentucky TGP Winter and Summer Plans to assist in proposal preparation. The projected purchase volumes are informational only and may or may not be indicative of future requirements. Atmos’ Kentucky annual thru-put on TGP is approximately 4 Bcf, of which 36% is attributable to third party transportation customers.

Assets Provided by Atmos to Asset Manager

Atmos' TGP Kentucky service area has four FT-G firm small customer transportation contracts, one FT-GS firm small customer transportation contract, as well as two FS-MA firm gas storage contracts and one FS-PA firm gas storage contract. Please see the description of the contracts provided in Attachment C, Pipeline Contract Summary TGP. To the extent allowed by applicable pipeline tariffs and regulations and subject to the terms of any applicable service agreements, Atmos will release on a recallable basis its transportation and storage capacity to the Asset Manager subject to the Asset Manager's obligation to provide full requirements to Atmos' distribution systems as operations dictate. Demand charges associated with the zero rate capacity releases will be billed directly to Atmos by the pipeline. The Asset Manager will bill Atmos all transportation commodity charges associated with providing deliveries to Atmos' city gates for Atmos' requirements.

Balancing TGP

The difference between Atmos' TGP FOM baseload purchases plus incremental quantities and the Company's actual usage will be balanced by the Asset Manager on paper utilizing all three TGP FS storage contracts. Regardless of how as Asset Manager physically balances, the FS contracts take the swing on Atmos paper balance. The transportation customers are kept whole to their nominations and balance on Atmos' storage.

The Asset Manager shall track and report the paper and physical storage inventory balances as further described in Attachment D, General Items for Kentucky.

4 Form of Agreement

The agreement will be on the standard 2002 form of Base Contract for the Sale and Purchase of Natural Gas published by the North American Energy Standards Board (NAESB). The NAESB will also include Atmos' special provisions (see Attachment E), additional special provisions that may be mutually agreed upon, and a transaction confirmation specifically incorporating the terms and conditions herein specified (or as otherwise set forth in a successful bid) and pricing contained in the successful bid.

5 Asset Management

The transaction with the asset manager is intended to qualify as an "Asset Management Arrangement" as defined in the Federal Energy Regulatory Commission's ("Commission") Order No. 712 and its regulations, as amended, set out in 18 CFR §284.8. All releases of FERC jurisdictional storage and transportation capacity under the Agreement shall conform with FERC's definition of an asset management agreement, including the required conditions and delivery obligations, shall be non-biddable, pre-arranged releases and shall be made in a manner consistent with (a) the FERC's capacity release regulations, and (b) applicable pipeline tariffs. The capacity released will be for the shorter of this agreement or the term of the associated contracts as detailed on

Attachment C Contract Summary and will be fully recallable. The final transaction confirmation will include the following language:

“The capacity may be recalled immediately upon (i) a breach that leads to the termination of the Asset Management Arrangement; (ii) failure by supplier to fulfill its delivery obligations subject to the terms and conditions of the Asset Management Arrangement; or (iii) the mutual agreement of the parties.”

The Asset Manager will be obligated to provide all firm system supply requirements on any and every day of the term up to the applicable daily contract demand of Atmos’ released capacity. Furthermore, the selected Asset Manager will be responsible for the management of pipeline capacity and storage contracts, in accordance with gas supply plans provided by Atmos. The Asset Manager will be responsible for making all nominations to the pipeline for flowing gas.

The Asset Manager will have the right to deliver quantities to Atmos utilizing transportation and/or storage service other than the managed capacity provided that (i) there will be no reduction in service, quantity or reliability to Atmos, and (ii) there will be no pricing change for the service delivered by asset manager. The Asset Manager will invoice and pass through commodity and fuel costs to Atmos pursuant to the transportation routes and storage activity using the quantities and transportation/storage capacity specified in Atmos’ plan requirements and the pricing set forth in the agreement between Atmos and the Asset Manager regardless and separate from actual transportation and storage physical activity.

The Asset Manager selected is responsible for any penalties or incremental costs associated with non-compliance with any rule, regulation, tariff provision of any Federal, State, or local governing entities including asset manager’s election to deviate from the company provided planned flowing and storage gas injections and/or withdrawal requirements. In addition, the Asset Manager will be responsible for any penalties or incremental costs incurred by Atmos when supplier does not abide by operational order issued, either by the transportation service provider or by Atmos as defined in the final contract.

6 Performance and Supply Requirements

All gas supply is to be firm, assuring that natural gas supply services will meet all contractual obligations without fail.

When reasonable grounds for insecurity of performance arise, Atmos may demand adequate assurance of performance. Adequate assurance shall mean sufficient security in the form and for the term reasonably specified by Atmos, including, but not limited to, a standby irrevocable letter of credit, a prepayment, a security interest in an asset acceptable to Atmos, a performance bond or a guarantee by a creditworthy entity. Atmos

may, from time to time, request such credit information as may reasonably be required to determine the creditworthiness of the Asset Manager.

Asset Manager may use any alternate receipt points on each pipeline to supply gas, but Asset Manager is responsible for incremental transport charges as a result of alternate points. **Also, the Asset Manager must provide gas at primary receipt points when secondary points are curtailed.**

Asset Manager shall dispatch gas to Atmos using the least cost supply first, acting in the best interest of Atmos at all times. Atmos may request documentation substantiating optimal dispatching and provide such documentation in response to regulatory requests. In bidding on this RFP, Asset Manager indicates understanding and acceptance of this requirement.

Atmos will notify the Asset Manager of its first-of-month (“FOM”) baseload gas requirements (“Billable Plan”) within five (5) business days before the beginning of any month. Monthly purchase volumes will be determined and billed based on the Atmos plan as adjusted. Physical volumes on Atmos’ transportation and storage agreements/facilities may vary based on the Asset Manager’s utilization of the assets. The Asset Manager shall provide monthly support for billed volumes and measured volumes on transportation and storage agreements. Atmos will be obligated to take the FOM baseload quantity everyday of the applicable month. The difference between the FOM plan purchases plus incremental quantities plus plan storage withdrawals and the actual Atmos usage swings on the “paper” inventory tracking account. **Atmos will have the right to call for firm incremental quantities on a daily basis, including weekends and holidays, up to the full MDQ by providing the Asset Manager notice no later than 8:00 A.M. Central Time on the business day prior to flow.**

It is the Asset Manager’s responsibility to provide daily written communication on how the firm requirements are being met. The Asset Manager must provide Atmos’ Gas Control department with a summary nomination worksheet (see Attachment F) containing the current day nominations plus nominations for the next five days. This worksheet shall be provided every weekday (except holidays) regardless, even if there are no changes. Nominations must reach Atmos’ Gas Control by 2:00 pm CT either via email at gcontrol@atmosenergy.com or via fax at 615.790.9337.

7 Proposal Content

The following information is required to be considered responsive to this RFP unless the proposing entity can clearly demonstrate that such information is not applicable to its circumstance. Any additional information that the supplier considers useful for Atmos to evaluate its proposal will be considered. Atmos may request additional information at a later date to assist in the decision making process.

Respondent Information

- Name and address of supplier
- Name, phone, and email of contact person for this proposal
- Evidence of supplier's knowledge and experience in providing service proposed
- Evidence of supplier's financial viability to provide the service proposed
- Business References

Respondent Term and Conditions

Respondent must provide any NAESB special provisions, and/or any required changes to Atmos' special provisions. Respondent must provide any special terms required in the transaction confirmation.

Proposals should be structured to provide firm gas supplies up to the maximum contract quantity indicated in Attachment C Pipeline Contract Summary. Proposals should present firm commodity sales based upon the pricing methodology described below:

Commodity Pricing

- First-of-month baseload purchases should be index based pricing, at a price equal to the simple average of the following two indices, plus (+) a premium or minus (-) a discount:
 - The "*Inside FERC's Gas Market Report*" first-of-the-month posting for Tennessee Gas Pipeline Co. – Louisiana, 500 Leg.
 - The New York Mercantile Exchange, **NYMEX Henry Hub last day** settlement price for the applicable business month of flow.
- Incremental purchases, in excess of the first-of-month baseload purchase volumes, should be priced at the **Gas Daily, Daily price survey midpoint index for Tennessee Gas Pipeline- La 500 Leg**, plus (+) a premium or minus (-) a discount.
- Bids shall include pricing for Atmos to sell FOM supply back to the Asset Manager at a price equal to the **Gas Daily, Daily price survey midpoint index for Tennessee Gas Pipeline- La 500 Leg**, plus (+) a premium or minus (-) a discount.
- All charges upstream of Atmos' pipeline contracts receipt points shall be the sole responsibility of the asset manager.
- Bids should specify whether fuel and other variables are included in or are in addition to the bid price.
- Intraday purchases will be at a mutually agreeable price, and confirmed at the time of purchase. If the parties cannot agree on intraday pricing Atmos has the right to purchase intraday gas from other suppliers, and the Asset Manager is responsible for scheduling the alternative supply.

Capacity Utilization Pricing

The Asset Manager will have the opportunity to optimize transportation and storage assets, subject to the obligation to utilize these assets to supply Atmos' full system requirements. Value for asset optimization should be proposed in the form of a fixed upfront or periodic payment. Proposals should specifically identify this as a Capacity Release/Capacity Utilization credit and should be expressed by month or in annual terms.

Bidders are highly encouraged to use the above preferred pricing in their proposal and the bid forms provided (Attachment A). Atmos may consider proposals having alternate index points and other forms of valuation for asset management activities.

8 Evaluation Criteria

Proposals will be judged on respondent's ability to meet the economical and reliable natural gas needs of Atmos. The principal criteria to be used are as follows: total delivered cost of gas supply over the term of the contract, reliability of the supply, and the financial viability of the respondent. Atmos has the right to consider any other factors that it deems relevant to Atmos' gas supply needs.

9 Evaluation Duration

The Bidder must leave the proposal open for a fifteen (15) business-day evaluation period after the submittal deadline.

10 Proprietary Data in Proposal

A proposal may include data which the respondent deems confidential and not used by Atmos for any purpose other than proposal evaluation. Reasonable care will be exercised so that proposal data is not disclosed or used without the respondent's permission, except to meet regulatory filing requirements. Such data filed for regulatory requests shall be filed as confidential information.

11 Rejections of Proposal

Any proposal may be modified prior to the submittal deadline by written request of the bidder. Atmos reserves the right to reject any or all proposals, and to re-solicit for proposals in the event that all proposals are rejected.

12 Submittal Instructions

Proposals must be received via U.S. Mail, Courier Service or hand delivered in a sealed envelope marked as indicated below, on or before **Monday March 14, 2011, by 4:00 P.M. Central Time**. No other method will be accepted. No proposal will be opened

prior to the stated deadline. Any proposals received after the stated deadline will be returned unopened.

Proposals should be marked externally as “**Proposal for Natural Gas Supply and AMA (Atmos Kentucky-TGP)**” and mailed to:

Adam Hancock, CPA, CVA
Riney Hancock CPAs PSC
2900 Veach Road Suite #2
Owensboro, KY 42303

ATTACHMENT A
Atmos Energy Corporation - Bid Form
Kentucky/Mid-States Division

Bidding Company: _____ Contact Name : _____
 Contact Phone #: _____
 Contact Email: _____

Index Based Commodity Bid

Comments/other rates * Sellback Terms and Index

Kentucky:

Base Load Supply: Tennessee Gas Pipeline	(IFERC TGP La. 500 leg + NYMEX Close) / 2	(+) or (-)	\$ _____ per dlh
Swing Supply: Tennessee Gas Pipeline	Gas Daily Daily TGP La. 500 leg Midpoint	(+) or (-)	\$ _____ per dlh

*If there are any incremental demand charges or fuel, please note in comment section.

Capacity Release/Capacity Utilization Annual Payment Bid

Annual Value to Atmos for Asset Manager's optimization of Transportation and Storage Assets: \$ _____ annual

(Positive signifies payment/credit to Atmos, negative signifies a charge to Atmos)

Value will be paid as a monthly payment or credit.

Asset Manager must be able to provide gas at primary receipt points when secondary points are curtailed.

Asset Manager shall dispatch gas to Atmos using the least cost supply first inclusive of variable transportation and fuel, acting in the best interest of Atmos at all times. Atmos may request documentation substantiating optimal dispatching and provide such documentation in response to regulatory requests. In bidding on this RFP, Asset Manager indicates understanding and acceptance of this requirement.

Attachment B

Atmos Energy Corporation
 TGP-KY Gas Supply Plan
 Summer 2010
 All Volumes MMBTU

Tennessee Gas Area Plan Requirements	Current Asset Manager Will Manage													
	30		31		6/1/2010*		30		31		30		31	
	Monthly	Daily	Monthly	Daily	Monthly	Daily	Monthly	Daily	Monthly	Daily	Monthly	Daily	Monthly	Daily
Danville	48,600	1,620	23,560	760	18,600	620	16,120	520	16,740	540	19,500	650	36,580	1,180
Harrodsburg	49,500	1,650	23,870	770	18,900	630	16,430	530	17,050	550	20,100	670	37,510	1,210
Campbellsville	18,300	610	8,990	290	6,900	230	6,200	200	6,200	200	7,500	250	13,950	450
Lebanon	35,100	1,170	17,050	550	13,500	450	11,780	380	12,090	390	14,100	470	26,660	860
GS-2	27,600	920	13,020	420	8,100	270	7,440	240	7,130	230	9,000	300	20,770	670
Total Requirements	179,100	5,970	86,490	2,790	66,000	2,200	57,970	1,870	59,210	1,910	70,200	2,340	135,470	4,370

Storage Injections	175,192	5,840	175,192	5,650	175,192	5,840	175,192	5,650	175,192	5,650	175,192	5,840	116,795	3,770
		15%		15%		15%		15%		15%		15%		10%

TOTAL PURCHASES	354,292	11,810	261,682	8,440	241,192	8,040	233,162	7,520	234,402	7,560	245,392	8,180	252,265	8,140
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STORAGE INJECTIONS

Danville	1,752	1,695	1,752	1,695	1,695	1,752	1,695	1,695	1,695	1,695	1,752	1,131
Harrodsburg	993	961	993	961	961	993	961	961	961	961	993	641
Campbellsville	993	961	993	961	961	993	961	961	961	961	993	641
Lebanon	1,168	1,130	1,168	1,130	1,130	1,168	1,130	1,130	1,130	1,168	1,168	754
GS-2	934	904	934	904	904	934	904	904	904	934	934	603
Total	5,840	5,650	5,840	5,650	5,650	5,840	5,650	5,650	5,650	5,650	5,840	3,770

*An Asset manager should assume beginning storage inventories on June 1, 2011 of 30% of the MSQ on all storage contracts.

Attachment B

Atmos Energy Corporation
 TGP-KY Gas Supply Plan
 Winter 2010-2011
 All Volumes MMBTU

Tennessee Gas Area	Nov-10		30		31		31		28		31		151
	Monthly	Daily	Monthly	Daily	Monthly	Daily	Monthly	Daily	Monthly	Daily	Monthly	Daily	
Harrodsburg	12,000	400	31,000	1,000	34,100	1,100	30,800	1,100	12,400	400	12,400	400	120,300
Danville	18,000	600	49,600	1,600	58,900	1,900	47,600	1,700	18,600	600	18,600	600	192,700
Lebanon	12,000	400	34,100	1,100	40,300	1,300	33,600	1,200	12,400	400	12,400	400	132,400
Campbellsville	15,000	500	37,200	1,200	43,400	1,400	36,400	1,300	15,500	500	15,500	500	147,500
GS-2	15,000	500	40,300	1,300	49,600	1,600	42,000	1,500	15,500	500	15,500	500	162,400
Total Purchases	72,000	2,400	192,200	6,200	226,300	7,300	190,400	6,800	74,400	2,400	74,400	2,400	755,300

Storage Activity	140,000	4,667	270,000	8,710	350,000	11,290	270,000	9,643	140,000	4,516	140,000	4,516	1,170,000
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Total Requirements 212,000 7,067 462,200 14,910 576,300 18,590 460,400 16,443 214,400 6,916 1,925,300

Note : Purchases reflect storage activities

MSQ Large 1,163,538
 MSQ Small 150,000

Storage Withdrawals

GS Large 125,000 4,167 234,167 7,554 314,167 10,134 234,166 8,363 120,000 3,871 1,027,500
 GS Small 15,000 500 35,833 1,156 35,833 1,156 35,834 1,280 20,000 645 142,500
 TOTAL 140,000 270,000

TOTAL MSQ-Lrg/small 1,313,538
 90% of MSQ 1,182,184

ATTACHMENT C

ATMOS ENERGY CORPORATION
PIPELINE CONTRACT SUMMARY

Tennessee Gas Pipeline

Rate Schedule	Contract #	Termination Notice	Service	MDQ Dth	Receipt PI	Recept PI	Primary Delivery PI	Deliv Pt Dth/d	Comments
FS-MA	2383	10/31/2012 Evergreen	1 year Firm Storage	15,784	070020 060020	070025 060025	Portland Withdrawal Portland Injection	MSQ 753,859 MMBtu MDIQ 5,026 MDWQ 15,784 No ratchets per contract	

FS-MA	41703	10/31/2012 Evergreen	1 year Firm Storage	4,000	070020 060020	070025 060025	Portland Withdrawal Portland Injection	MSQ 150,000 MMBtu MDIQ 1,000 Dth MDWQ 4,000 Dth No ratchets per contract
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FS-PA	2384	10/31/2012 Evergreen	1 year Firm Storage	2,914	070020 060020	070025 060025	Portland Withdrawal Portland Injection	MSQ 405,679 MMBtu MDIQ 2,714 Dth MDWQ 2,914 No ratchets per contract
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An Asset Manager is required to comply with all Tennessee Gas Pipeline tariff provisions for the FS storage service rate schedule.

ATTACHMENT C

ATMOS ENERGY CORPORATION
PIPELINE CONTRACT SUMMARY

Rate Schedule	Contract #	Termination	Notice	Service	MDQ Dblt	Receipt PI	Dblt	Leg	Primary	Delv PI	Comments
FT-GS	2385	10/31/2012 Evergreen	1 year	Firm Transport	8,282						
						012035 Liberty Hill	399	100	020009 Western-Greensburg KY	5,538	
						012133 Millport McCree Transport	204	500	020029 Western-Lancaster KY	5,295	
						012132 Star Transport	297	500	020338 Western-Perryville KY	1,039	
						011119 S Marsh Island 61 C	504	500	020445 Western-Hustonsville KY	401	
						012088 Monte Christo Exchange	399	100			
						011401 Vermillion 119 G	240	800			
						011717 Chalkley Transport	240	800			
						070020 TGP-Portland Storage Withdrawal	5,999	100			
FT-G	2546	10/31/2012 Evergreen	1 year	Firm Transport	15,000						
						012035 Liberty Hill	1,471	100	020014 Western-Danville KY	14,500	MDQ's
						012133 Millport McCree Transport	1,842	500	021000 Simpson	500	Nov-March
						011119 S Marsh Island 61 C	1,854	500			April
						012088 Monte Christo Exchange	1,471	100			May
						011401 Vermillion 119 G	882	800			June
						011717 Chalkley Transport	882	800			July-August
						070020 TGP-Portland Storage Withdrawal	6,598	100			September
											October
											10,000
FT-G	2548	10/31/2012 Evergreen	1 year	Firm Transport	5,772						
						012035 Liberty Hill	448	100	020030 Western-Lebanon KY	5,772	MDQ's
						012133 Millport McCree Transport	561	500			Nov-March
						011119 S Marsh Island 61 C	564	500			April
						012088 Monte Christo Exchange	448	100			May
						011401 Vermillion 119 G	268	800			June-August
						011717 Chalkley Transport	268	800			September
						070020 TGP-Portland Storage Withdrawal	3,215	100			October
											2,000
											2,500
											2,000
											2,500
											4,000
FT-G	2550	10/31/2012 Evergreen	1 year	Firm Transport	6,856						
						012035 Liberty Hill	496	100	020010 Western-Campbellsilles KY	6,856	MDQ's
						012133 Millport McCree Transport	621	500			Nov-March
						011119 S Marsh Island 61 C	625	500			April
						012088 Monte Christo Exchange	495	100			May
						011401 Vermillion 119 G	297	800			June-August
						011717 Chalkley Transport	297	800			September
						070020 TGP-Portland Storage Withdrawal	4,025	100			October
											4,500
											5,000
											6,200
FT-G	2551	10/31/2012 Evergreen	1 year	Firm Transport	5,601						
						012035 Liberty Hill	479	100	020028 Western-Harrodsburg KY	5,601	MDQ's
						012133 Millport McCree Transport	601	500			Nov-March
						011119 S Marsh Island 61 C	605	500			April
						012088 Monte Christo Exchange	480	100			May
						011401 Vermillion 119 G	287	800			June-August
						011717 Chalkley Transport	288	800			September
						070020 TGP-Portland Storage Withdrawal	2,861	100			October
											3,000
											2,000
											3,000
											4,500

Attachment D

General Items for Kentucky Service Area

- ◆ Certain assets may be unused after Asset Manager has supplied Atmos' full gas supply requirements, Asset Manager is willing to assume the obligations and risks that may lead to financial loss which accompany the potential for financial gain in connection with the value optimization of such otherwise unused assets.
- ◆ Asset manager acknowledges that it is paramount in its role as Asset Manager, that it take no action nor omit to take any action, under any circumstances, the result of which would impair or adversely affect the reliability of Atmos' system or service to its customers.
- ◆ Asset Manager shall dispatch gas to Atmos using the least cost supply first, acting in the best interest of Atmos. Atmos may request documentation substantiating optimal dispatching and provide such documentation in response to regulatory requests. Bidding on this RFP indicates understanding and acceptance of this requirement.
- ◆ **Asset Manager's rights to storage and associated transportation are secondary to Atmos' rights.**
- ◆ "Regulatory Out" language must be included in the Transaction Confirmation agreement addressing the potential of regulations which may render the agreement illegal or unenforceable or materially adversely affecting the ability of Atmos or the Asset Manager to perform this agreement. For either Party:
 1. a court or governmental agency with jurisdiction (including without limitation the Kentucky Public Service Commission or the Federal Energy Regulatory Commission) reverses, withdraws or otherwise modifies, with a result unacceptable to such party in its sole discretion, any applicable law, regulation order, ruling, opinion or other determination believed to be necessary to proceeding with the transactions contemplated under the Agreement;
 2. such change causes the impacted Party to incur any material capital or operating cost, or loss of opportunity, related to the provision or receipt of services contemplated herein, or performance according the terms of the agreement would be in violation of any applicable law, regulation, order, ruling or opinion, and
 3. the Parties are unable, after good faith negotiations, to renegotiate the Agreement to comply with such reversal, withdrawal or modification and maintain the same level of service or benefit.

For the Asset Manager: if a court or governmental agency with jurisdiction determines that the Asset Manager is subject to the jurisdiction of the Kentucky Public Service Commission as a result of the execution, delivery or performance of any Agreement.

- ◆ The selected Asset Manager is responsible for any penalties or incremental costs associated with non-compliance with any rule, regulation, or tariff provision of any Federal, State or local governing entities including Asset Manager's election to deviate from Atmos' planned flowing and storage gas injections and/or withdrawal requirements. In addition, the Asset Manager shall bear sole financial responsibility, and shall pay to the applicable pipeline company (or reimburse Atmos if required to pay) any imbalance or overrun penalty, cost, charge, or cash-out cost (collectively referred to in this Agreement as an "Imbalance Charge") assessed as a result of an over-delivery or under-delivery of gas. Failure to do so could result in the cancellation or termination of any contract entered into as a result of the award at Atmos' sole discretion. Furthermore, should Atmos elect to terminate the agreement, the Asset Manager will be responsible for any and all costs, including any price differentials and reasonable legal fees associated with Atmos replicating the contracted service with a replacement counterparty. All penalties imposed by any pipeline under this agreement due to the actions (or inaction) of the Asset Manager will be the responsibility of the Asset Manager.

- ◆ The Asset Manager will also be required to provide routine and timely documentation of all transactions, utilizing Atmos assets including but not limited to, contracts, volumes, rates, offers made, offers rejected. The Asset Manager shall maintain documents and records of all transactions that utilize Atmos' gas supply assets. All documents and records of such transactions shall be retained for two years after termination of the agreement and shall be subject to review and examination by Atmos and any applicable regulatory authority having jurisdiction. Asset Manager shall comply with all applicable federal and state laws, regulations and orders of regulatory authorities having jurisdiction in connection with its performance of its obligations under the agreement, the use and management of the managed assets and the supply of commodity to Atmos.

- ◆ Actual requirements, during each month, will result in variances from the initial Plan storage estimates. Asset Manager will track and report Atmos' "paper" storage inventory balances and the physical storage inventory balances during the Term in order to administer injections and withdrawals made on paper for billing purposes and the physical injections and withdrawals made by the Asset Manager. The "paper" inventory injections and withdrawals will be calculated each day based on the difference between the quantities scheduled and confirmed by the Asset Manager (purchased by Atmos Energy) on that day and the quantity metered at the City Gate excluding third party transportation quantities. Asset Manager and Atmos Energy will have weekly progress communications to review such quantities and inventory levels. During each month, Atmos will review the variance in the estimated storage levels resulting from actual requirements and the gas purchased, per the Gas Purchase Plan, for the current month. This evaluation may result in a change to the planned purchases for the subsequent months. Atmos will advise the Asset Manager of changes, if any, to the planned purchases for the upcoming month not later than five (5) business days prior to the beginning of the next flow month.

- ◆ For operational purposes, the Physical and Plan Storage inventory levels must be at the appropriate levels at the beginning of each winter season to ensure reliability of supply.
- ◆ If Atmos in its sole discretion deems the Asset Manager managing assets in a manner that jeopardizes Atmos' reliability Atmos will have the right to take any action including the immediate recall of capacity to ensure system integrity.

**SPECIAL PROVISIONS ATTACHED TO AND FORMING PART OF THE
BASE CONTRACT FOR SALE AND PURCHASE OF NATURAL GAS**

Dated _____, 200____
By and between _____ ("Seller")
and
Atmos Energy Corporation ("Buyer")

If the terms of these Special Provisions and the other terms of the Base Contract conflict, the terms of these Special Provisions shall govern. Any definitions used in the Base Contract, unless otherwise defined in these Special Provisions, shall have the same meaning herein.

Any references herein to "General Terms and Conditions" shall mean the document attached to and forming part of the Base Contract entitled "General Terms and Conditions Base Contract for Sale and Purchase of Natural Gas" and setting forth the General Terms and Conditions of the agreement between the parties.

Any reference to a Section in these Special Provisions refers to the same Section of the General Terms and Conditions to the Base Contract.

SECTION 1. PURPOSE AND PROCEDURES

The existing Sections 1.2, 1.3 and 1.4 are deleted in their entirety and replaced with the following:

1.2 (a) Transactions entered into Orally: Should the parties come to an understanding regarding a particular transaction, and have agreed to the Contract Price, the Contract Quantity, the Delivery Period and the Delivery Point(s) (the "Minimum Requirements") for such transaction, the transaction will be formed and effectuated between the parties by an oral offer (whether by telephone, in-person, or otherwise) and oral acceptance (whether by telephone, in-person or otherwise). The parties shall be legally bound by each transaction satisfying the Minimum Requirements from the time they agree to its terms and acknowledge that each party will rely thereon in doing business related to the transaction. Any transaction formed and effectuated pursuant to the foregoing shall be considered a "writing" or "in writing" and to have been "signed" by each party.

(b) Taping of Transactions: Each party hereby agrees that the other party or its agents may electronically record all telephone conversations between officers or employees of the consenting party and the officers or employees of the other party who quote on, agree to, or otherwise discuss terms of transactions or potential transactions on behalf of the party. Either party may at each party's respective expense, maintain equipment necessary to record transactions on audiotapes and/or digital recording media ("Transaction Tapes") and retain Transaction Tapes and the electronic evidence of transactions on such Transaction Tapes in such manner and for so long as each party deems necessary in its sole respective discretion, but is not obligated to do so; provided that **NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY MALFUNCTION OF SUCH EQUIPMENT OR THE OPERATION THEREOF IN RESPECT OF ANY TRANSACTION WITHOUT REGARD TO THE CAUSE OR**

Attachment E

CAUSES RELATED THERETO, INCLUDING WITHOUT LIMITATION, THE SOLE, JOINT, CONCURRENT, CONTRIBUTORY, AND/OR COMPARATIVE NEGLIGENCE (WHETHER GROSS OR SIMPLE, OR ACTIVE OR PASSIVE), STRICT LIABILITY, OR OTHER FAULT OF ANY PARTY. No transaction shall be invalidated should a Transaction Tape be erased for any reason or a malfunction occur in equipment utilized for recording transactions or retaining Transaction Tapes or the operation thereof. The parties hereby consent to the electronic recording of their oral agreements and related telephone discussions.

(c) Waiver of Statute of Frauds: **THE PARTIES HEREBY WAIVE ALL PROVISIONS OF ANY APPLICABLE STATUTE OF FRAUDS WITH RESPECT TO ANY TRANSACTIONS SUBJECT TO THIS CONTRACT; PROVIDED HOWEVER, AMENDMENTS TO THE CONTRACT MUST BE IN WRITING AND SIGNED BY THE PARTIES.** The parties agree not to contest or assert a defense to the validity or enforceability of transaction entered into orally under laws relating to whether certain agreements are to be in writing or signed by the party to be thereby bound.

1.3 Confirmation of a Transaction:

(a) The Confirming Party shall and the other party may confirm the terms of a transaction by transmitting to the other party a written Transaction Confirmation by any reasonable means, including, without limitation, by facsimile (including, without limitation e-fax and/or computer facsimile), hand delivery, courier, or certified mail (return receipt requested) or other mutually agreeable electronic means. Failure by any party to send, or the party to return a Transaction Confirmation shall not invalidate any transaction. Each party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation and as the identification and authentication of such party. Notwithstanding the definition of Transaction Confirmation in Section 2, "Transaction Confirmation" means for the purposes of delivery to a receiving party, a writing in any reasonable form containing all of the material terms of the transaction, including, without limitation, the form of Exhibit A attached hereto.

(b) If a sending party's Transaction Confirmation is materially different from the receiving party's understanding of the terms of a transaction, such receiving party shall notify the sending party of any such material differences in writing by the Confirm Deadline, unless such receiving party has previously timely sent a Transaction Confirmation to the sending party before the Confirm Deadline.

(c) Unless the receiving party has previously timely sent a written Transaction Confirmation to the sending party, the failure of the receiving party to so notify the sending party of any such material differences in writing by the Confirm Deadline constitutes the receiving party's acceptance of the description of the terms of the transaction in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction or if the receiving party has timely objected to the terms of the sending party's Transaction Confirmation, such transaction remains valid and the parties remain legally bound thereby, however, both parties shall in good faith attempt to resolve such differences. Once such material differences are resolved, either party may transmit a written Transaction Confirmation to the other party, and such Transaction Confirmation shall be accepted (or disputed) pursuant to the provisions of this Section 1.3. The provisions of this Section 1.3 may be repeated as many times as necessary to produce a written Transaction Confirmation that is accepted or deemed accepted by the receiving party.

Attachment E

(d) A written Transaction Confirmation and any other writing related to or in response to a Transaction Confirmation shall be deemed delivered to the receiving party (i) when actually received by the receiving party or (ii) with respect to a written Transaction Confirmation and other writing delivered by facsimile, when the sending party's facsimile machine indicates by an electronic or written facsimile log that the receiving party's facsimile machine received such written Transaction Confirmation.

(e) The sending party shall not be required to maintain or retain a paper-based version of the written Transaction Confirmation delivered to the receiving party. In addition to a paper-based version of the written Transaction Confirmation delivered to the receiving party, the following shall constitute a "written Transaction Confirmation" for all purposes of this Contract: (i) an electronic image of a paper-based version of the written Transaction Confirmation, and/or (ii) data in the sending party's computer system.

(f) In the absence of a written Transaction Confirmation that the parties have signed or are deemed to have accepted, any evidence may be used to establish the terms of a transaction, including, without limitation, a Transaction Tape oral testimony, data in a computer system, trade tickets, and/or notes. If a Transaction Confirmation exists which the parties have signed or are deemed to have accepted, in the event of a conflict between the terms of the written Transaction Confirmation and any other evidence of the terms of a transaction (including, without limitation, a Transaction Tape, oral testimony, data in a computer system, trade tickets, and/or notes), the terms of the written Transaction Confirmation shall control to the extent of any such conflict.

1.4 Transaction Confirmations Do Not Amend Certain Terms: Transaction Confirmations shall not amend the terms of the Contract related to events of default, liquidated damages, settlement or termination payments unless a Transaction Confirmation is in writing and signed by both parties.

SECTION 2. DEFINITIONS

Delete the existing definition in Section 2.11 of "Credit Support Obligation(s)" and substitute the following:

2.11 "Credit Support Obligation(s)" shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a performance bond, guaranty or other mutually acceptable form of security.

SECTION 3. PERFORMANCE OBLIGATION

The following new Section 3.5 is added:

3.5 Notwithstanding anything in this Contract to the contrary, in the event: (i) a transaction has a Firm obligation; (ii) as a result from an event of Force Majeure Seller is unable to sell and deliver, or Buyer is unable to purchase and receive, the Contract Quantity for such transaction; (iii) the Delivery Period for such transaction is at least one month; and (iv) the Contract Price is a Fixed Price (as defined below), then

Attachment E

- a. If the FOM Price (as defined below) is above the Fixed Price, Seller will pay Buyer, for each MMBtu of Gas not delivered and/or received, the difference between the FOM Price and the Fixed Price.
- b. If the FOM Price is below the Fixed Price, Buyer will pay Seller, for each MMBtu of Gas not delivered and/or received, the difference between the Fixed Price and the FOM Price.

For purposes of this Section 3.5, the "Fixed Price" means the Contract Price for a transaction that is expressed as a set amount. Fixed Price includes prices that were converted from an index-based price or a NYMEX basis to a set amount upon the agreement of the parties or as a result of a party exercising a price option available to a party under a Transaction Confirmation that resulted in a maximum price or a minimum price.

For purposes of this Section 3.5, the "FOM Price" means the price per MMBtu, stated in the same currency as the transaction subject to such Force Majeure event, for the first of the month of delivery as published in the Inside FERC Gas Market Report (or such other published index as mutually agreed to by the parties), for the geographic location closest in proximity to the Delivery Point.

SECTION 8. TITLE, WARRANTY AND INDEMNITY

Section 8.3 is supplemented by inserting the following as the last sentence of that section:

Neither party shall be obligated to indemnify, defend, or hold the other party harmless to the extent any liability, suit, action, damage, loss or expense arises out of or in connection with any intentional act, negligent act or failure to act on the part of the other party, its officers, agents, or employees.

SECTION 10. FINANCIAL RESPONSIBILITY

Delete the existing Sections 10.1 and 10.2 and substitute the following in lieu thereof:

10.1 If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y), X may demand Adequate Assurance of Performance, which shall not exceed the amount calculated in accordance with the procedure for determining the Net Settlement Amount, as of the date of the demand, as if all transactions had been terminated plus all other outstanding amounts owed or accrued under the Contract. "Adequate Assurance of Performance" means sufficient security in the form, amount and for the term reasonably acceptable to X, including, but not limited to, an irrevocable standby letter of credit, a prepayment, a performance bond or guaranty (including the issuer of any such security). The "occurrence of a material change in the creditworthiness of Y" shall mean that on any date of determination either (i) the unsecured and unsubordinated long-term debt of Y (or Y's guarantor) is not rated by Standard & Poor's Ratings Group, a division of McGraw-Hill, Inc., or its successor ("S&P"), or by Moody's Investors Service, Inc. or its successor ("Moody's") or (ii) if so

Attachment E

rated, the higher rating then assigned to Y's (or Y's guarantor's) unsecured and unsubordinated long-term debt is less than BBB- by S&P or Baa3 by Moody's.

- 10.2 In the event (each an "Event of Default") either party (the "Defaulting Party") or its guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 not later than two Business Days after receipt of a written request by the other party; (viii) not have paid any amount due the other party hereunder on or before the second Business Day following receipt of written Notice that such payment is due; or (ix) fails to deliver or receive Gas if not remedied within three (3) Business Days, unless excused by the other party's non-performance or prevented by Force Majeure; then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder.

SECTION 11. FORCE MAJEURE

Section 11.2(iv) is deleted and the following is substituted in lieu thereof:

(iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, terrorism, insurrections or wars;

SECTION 14. MISCELLANEOUS

The following new Sections 14.12 and 14.13 are added:

14.12 This Contract shall be considered for all purposes prepared through the joint efforts of the parties and shall not be construed against one party or the other as a result of the manner in which this Contract was negotiated, prepared, drafted or executed.

14.13 If any index used to determine the price under a transaction ceases to be available, the parties agree to promptly negotiate on a good faith basis a mutually satisfactory alternate price or reference publication to take effect as of the date the prior index is unavailable. If the parties cannot agree on an alternative price or reference publication within thirty (30) days of the index ceasing to be available, then the parties shall refer the matter to binding arbitration. Arbitration shall be governed by the Federal Arbitration Act (9 U.S.C. Section 1, *et seq.*) and conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

THE PARTIES DO HEREBY REPRESENT AND WARRANT THAT THE GENERAL TERMS AND CONDITIONS OF THE BASE CONTRACT HAVE NOT BEEN MODIFIED, ALTERED,

Attachment E

OR AMENDED IN ANY RESPECT EXCEPT FOR THESE SPECIAL PROVISIONS WHICH ARE ATTACHED TO AND MADE A PART OF THE BASE CONTRACT.

ATMOS ENERGY CORPORATION

By: _____

By: _____

Title: _____

Kenny Malter
Vice President, Gas Supply & Services



Riney Hancock CPAs
PSC

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RESPONSES

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Atmos Energy Corporation
March 16, 2011

Recommendations for Atmos Energy Corporation
June 1, 2011 – March 31, 2012
Gas Supply Requirements on TGP – Kentucky Service Area
Submitted for Review March 16, 2011

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