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**OVERNIGHT DELIVERY**

June 13, 2011

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

**RECEIVED**

**JUN 14 2011**

**PUBLIC SERVICE  
COMMISSION**

RE: Atmos Energy Corporation  
Weather Normalization Adjustment

Dear Mr. Derouen:

I enclose herewith an original, plus eleven (11) copies, of the Application of Atmos Energy Corporation for an Order Continuing the Weather Normalization Adjustment for Three (3) Additional Years. Please return a filed stamped copy to me.

Please advise if anything additional is needed. Thanks.

Very truly yours,



Mark R. Hutchinson

COMMONWEALTH OF KENTUCKY  
BEFORE THE  
KENTUCKY PUBLIC SERVICE COMMISSION

RECEIVED

JUN 14 2011

PUBLIC SERVICE  
COMMISSION

IN THE MATTER OF:

THE APPLICATION OF ATMOS ENERGY CORPORATION )  
FOR AN ORDER CONTINUING THE WEATHER )  
NORMALIZATION ADJUSTMENT FOR THREE (3) ) CASE NO. \_\_\_\_\_  
ADDITIONAL YEARS )

Comes now Atmos Energy Corporation ("Company") and files its application herein for an order continuing the Weather Normalization Adjustment mechanism ("WNA") for three (3) additional years. In support of this Application, Company states as follows:

1. In the Company's 1999 rate adjustment case (Case No.1999-070), the Commission, by order dated December 21, 1999 (the "Order"), approved implementation by the Company of the WNA for a five (5) year trial period, commencing November 1, 2000
2. On June 29, 2005, the Company filed an Application with the Commission requesting to continue its WNA for five (5) additional years, through October 31, 2010 (Case No. 2005-00268). By Order dated September 19, 2005, the Commission granted the Company's request to continue its WNA for five (5) years commencing November 1, 2005.

Accordingly, the WNA was scheduled to end October 31, 2010.

3. On July 26, 2010, the Company filed an Application with the Commission requesting to continue its WNA for five (5) additional years, through October 31, 2015 (Case No. 2010-00243). By Order dated September 10, 2010, the Commission granted the Company's

request to continue its WNA but limited the period to an additional year and directed the Company to file a request to continue using the mechanism by June 15, 2011.

4. The Company is proposing an extension of three (3) years in order to prevent annual renewals as well as creating a bridge of time to incorporate any necessary changes to the existing WNA mechanism in the context of the Company's next rate case.
5. The WNA mechanism was initially proposed to separate or "decouple" impacts of weather-related volume on the Company's margin recovery. During periods of colder than normal weather, the WNA lowers the Company's distribution charge and softens the impact of colder weather on consumers. Conversely, warmer than normal weather increases the distribution charge. Accordingly, the WNA, for weather-related volumes, help stabilize the Company's revenues and the consumers' billings.
6. Traditional ratemaking defines the utility's revenue requirement, then separates the Company's non-gas related revenues into fixed monthly charges and commodity-driven charges. The commodity driven distribution charges are based upon volumes expected with normal winter weather. However, to the extent actual winter temperatures deviate from normal, volumes will vary and the Company may exceed or fall short of its established revenue requirements. A WNA mechanism is intended to compensate for this weather variance. The WNA mechanism has performed very well during the ten (10) years it has been in effect and has met its intended purpose. While conventional wisdom would leave one to believe that more recent weather has been warmer than normal, the WNA mechanism has actually refunded money back to our customers over the last two winter seasons.

7. The Company proposes to utilize the same basis for normal Heating Degree Days (NOAA Normals for 1971-1990). The Company also proposes to continue to annually update the Base Load ("BL"), Heating Sensitive Factors ("HSF") and average distribution rate factor ("R) for each of the affected classes of firm sales ("Rate G-1") service; residential, commercial and public authority.
8. The Company believes that it is extremely important to use the same normal heating degree-day (NHDD) basis that is utilized for its WNA mechanism as is used for the determination of distribution commodity rates in its rate case. The Company's weather adjustment for volumes used in the determination of rates in the Company's most recent rate case (Case No. 2009-00354), and for its current WNA mechanism, has historically referenced the 30-year NHDD data published by the National Oceanic and Atmospheric Association (NOAA). The most recently published data set available from NOAA is 1971-2000. The Company anticipates the 1981-2010 NOAA data set may be available sometime in 2012. The Company is also open to working with the Commission to implement a different data set if the Commission prefers such. The Company would propose to implement any different data set within its next rate case application.
9. Given the favorable performance of the WNA mechanism during the preceding ten (10) year period, no changes in the existing tariff or processes are proposed. The proposed three year extension of the WNA would begin November 1, 2011. Annual reports, in the format previously used, would continue as currently prescribed.

10. The Company's principal operating office and place of business is 3275 Highland Pointe, Owensboro, Kentucky. The post office address of the Company is P.O. Box 650205, Dallas, Texas 75265-0205.

11. The Company's Articles of Incorporation, together with all amendments thereto, have already been filed with the Commission in Case No. 2008-00222. There have been no changes to the Articles of Incorporation since they were filed with the Commission in Docket No. 2008-00222.

12. Correspondence and communications with respect to this Application should be directed to:

Mark A. Martin  
Vice President, Rates and Regulatory Affairs  
Atmos Energy Corporation  
3275 Highland Pointe Drive  
Owensboro, Kentucky 42303

Douglas C. Walther  
Senior Attorney  
Atmos Energy Corporation  
P.O. Box 650205  
Dallas, Texas 75265-0205

Mark R. Hutchinson  
Attorney at Law  
611 Frederica Street  
Owensboro, Kentucky 42301

WHEREFORE, the Company respectfully requests that the Commission authorize by appropriate order, a continuation of the Company's WNA for three (3) additional years.

This 13 day of June, 2011.

Douglas C. Walther

Senior Attorney  
Atmos Energy Corporation  
P.O. Box 650205  
Dallas, Texas 75265-0205

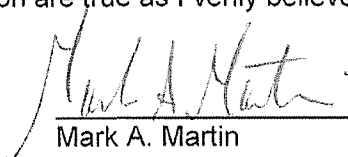
Mark R. Hutchinson  
Attorney at Law  
611 Frederica Street  
Owensboro, Kentucky 42301

COUNSEL FOR ATMOS ENERGY CORPORATION

By:  \_\_\_\_\_

VERIFICATION

I, Mark A. Martin, being duly sworn under oath, state that I am Vice President of Rates and Regulatory Affairs for Atmos Energy Corporation, Kentucky/Mid-State Division, and the statements contained in the foregoing Application are true as I verily believe.

  
\_\_\_\_\_  
Mark A. Martin