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PUBLIC SERVICE
COMMISSION

September 30, 2016

Mr. Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602

Re: Case No. 2016-00000

Dear Mr. Derouen:

We are filing the enclosed original and ten (10) copies of a notice under the provisions of our Gas Cost Adjustment Clause, Case No. 2013-00148. **This filing contains a Petition of Confidentiality and confidential documents.**

Please indicate receipt of this filing by stamping and dating this letter and returning a scanned copy by E-mail to Stellie.Jackson@atmosenergy.com.

If you have any questions, feel free to call me at 972-855-3077.

Sincerely,

A handwritten signature in blue ink that reads "Stellie Jackson". The signature is fluid and cursive, with the first name "Stellie" and last name "Jackson" clearly legible.

Stellie S. Jackson
Rate Administration Analyst

Enclosures

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

In the Matter of:

**GAS COST ADJUSTMENT)
FILING OF)
ATMOS ENERGY CORPORATION)**

Case No. 2016-00000

NOTICE

QUARTERLY FILING

For The Period

November 1, 2016 – January 31, 2017

Attorney for Applicant

**Mark R. Hutchinson
611 Frederica Street
Owensboro, Kentucky 42301**

September 30, 2016

Atmos Energy Corporation, ("the Company"), is duly qualified under the laws of the Commonwealth of Kentucky to do its business. The Company is an operating public utility engaged in the business of purchasing, transporting and distributing natural gas to residential, commercial and industrial users in western and central Kentucky. The Company's principal operating office and place of business is 3275 Highland Pointe Drive, Owensboro, Kentucky 42303. Correspondence and communications with respect to this notice should be directed to:

Mark A. Martin
Vice President of Rates & Regulatory Affairs
Kentucky/Mid-States Division
Atmos Energy Corporation
3275 Highland Pointe Drive
Owensboro, Kentucky 42303

Mark R. Hutchinson
Attorney for Applicant
611 Frederica Street
Owensboro, Kentucky 42301

Liza Philip
Manager, Rate Administration
Atmos Energy Corporation
5430 LBJ Freeway, Suite 700
Dallas, Texas 75240

Stellie S. Jackson
Rate Administration Analyst
Atmos Energy Corporation
5430 LBJ Freeway, Suite 700
Dallas, Texas 75240

The Company gives notice to the Kentucky Public Service Commission, hereinafter "the Commission", pursuant to the Gas Cost Adjustment Clause contained in the Company's settlement gas rate schedules in **Case No. 2013-00148**.

The Company hereby files Thirteenth Revised Sheet No. 4, Thirteenth Revised Sheet No. 5, and Thirteenth Revised Sheet No. 6 to its PSC No. 2, Rates, Rules and Regulations for Furnishing Natural Gas to become effective November 1, 2016.

The Gas Cost Adjustment (GCA) for firm sales service is \$4.1342 per Mcf and \$2.9124 per Mcf for interruptible sales service. The supporting calculations for the Thirteenth Revised Sheet No. 5 are provided in the following Exhibits:

Exhibit A – Comparison of Current and Previous Gas Cost Adjustment (GCA) Cases

Exhibit B – Expected Gas Cost (EGC) Calculation

Exhibit C - Rates used in the Expected Gas Cost (EGC)

Exhibit D – Correction Factor (CF) Calculation

Exhibit E – Refund Factor (RF) Calculation

Exhibit E – Performance Based Rate Recovery Factor (PBRRF) Calculation

Since the Company's last GCA filing, Case No. 2015-00343, the following changes have occurred in its pipeline and gas supply commodity rates for the GCA period.

1. The commodity rates per Mcf used are based on historical estimates and/or current data for the quarter of November 1, 2016 through January 31, 2017, as shown in Exhibit C, page 1 of 2.
2. The G-1 Expected Gas Cost will be approximately \$4.2751 per Mcf for the quarter of November 1, 2016 through January 31, 2017, as compared to \$4.4139 per Mcf used

for the period of August 15, 2016 through October 31, 2016. The G-2 Expected Commodity Gas Cost will be approximately \$3.0533 for the quarter of November 1, 2016 through January 31, 2017 as compared to \$3.2028 for the period of August 15, 2016 through October 31, 2016.

3. The Company's notice sets out a new Correction Factor of \$(0.2565) per Mcf which will remain in effect until at least January 31, 2017. The new Correction factor includes the balance from Pipeline Refunds of \$0.00. This balance is due to adjustments to customers billed prior to the pipeline refund cutoff date (November 1, 2013).
4. The Refund Factor of (\$0.0035) per Mcf will remain in effect until the refund has been completed.

The GCA tariff as approved in Case No. 92-558 provides for a Correction Factor (CF) which compensates for the difference between the expected gas cost and the actual gas cost for prior periods. A revision to the GCA tariff effective December 1, 2001, Filing No. T62-1253, provides that the Correction Factor be filed on a quarterly basis. In Case No. 2013-00148, effective January 24, 2014, the Company's GCA tariff allows recovery of any gas cost which is uncollectible, to be included in each February GCA filing.

The Company is filing its updated Correction Factor that is based upon the balance in the Company's 1910 Account as of July 31, 2016 (August, 2016 general ledger). The

calculation for the Correction Factor is shown on Exhibit D, Page 1 of 6. Also beginning with the January, 2014 GCA filing in compliance with tariff page 16 from the Rate Case filing (Case No. 2013-00148) the Company is allowed to recover the net uncollectible gas cost (net uncollectible gas cost less subsequently collected gas cost).

WHEREFORE, Atmos Energy Corporation requests this Commission, pursuant to the Commission's order in Case No. 99-070, to approve the Gas Cost Adjustment (GCA) as filed in Thirteenth Revised Sheet No. 5; and Thirteenth Revised Sheet No. 6 setting out the General Transportation Tariff Rate T-3 and T-4 for each respective sales rate for meter readings made on and after November 1, 2016.

DATED at Dallas, Texas this 30th Day of September, 2016.

ATMOS ENERGY CORPORATION

By: 

Stellie S. Jackson
Rate Administration Analyst
Atmos Energy Corporation

FOR ENTIRE SERVICE AREA

P.S.C. KY NO. 2

THIRTEENTH REVISED SHEET NO. 4

CANCELLING

TWELFTH REVISED SHEET NO. 4

ATMOS ENERGY CORPORATION
NAME OF UTILITY

Current Rate Summary

Case No. 2016-00000

Firm Service

Base Charge:

Residential (G-1)	-	\$17.50	per meter per month
Non-Residential (G-1)	-	44.50	per meter per month
Transportation (T-4)	-	375.00	per delivery point per month
Transportation Administration Fee	-	50.00	per customer per meter

Rate per Mcf²**Sales (G-1)****Transportation (T-4)**

First	300 ¹	Mcf	@	5.6682	per Mcf	@	1.5340	per Mcf	(1, -)
Next	14,700 ¹	Mcf	@	5.0842	per Mcf	@	0.9500	per Mcf	(1, -)
Over	15,000	Mcf	@	4.8742	per Mcf	@	0.7400	per Mcf	(1, -)

Interruptible Service

Base Charge	-	\$375.00	per delivery point per month
Transportation Administration Fee	-	50.00	per customer per meter

Rate per Mcf²**Sales (G-2)****Transportation (T-3)**

First	15,000 ¹	Mcf	@	3.7624	per Mcf	@	0.8500	per Mcf	(1, -)
Over	15,000	Mcf	@	3.5529	per Mcf	@	0.6405	per Mcf	(1, -)

¹ All gas consumed by the customer (sales, transportation; firm and interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

² DSM, PRP and R&D Riders may also apply, where applicable.

DATE OF ISSUE September 30, 2016

MONTH / DATE / YEAR

DATE EFFECTIVE November 1, 2016

MONTH / DATE / YEAR

ISSUED BY /s/ Mark A. Martin

SIGNATURE OF OFFICER

TITLE Vice President – Rates & Regulatory Affairs

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO 2016-00000 DATED N/A

FOR ENTIRE SERVICE AREA

P.S.C. KY NO. 2

THIRTEENTH REVISED SHEET NO. 5

ATMOS ENERGY CORPORATION

NAME OF UTILITY

CANCELLING

TWELFTH REVISED SHEET NO. 5

Current Gas Cost Adjustments

Case No. 2016-00000

Applicable

For all Mcf billed under General Sales Service (G-1) and Interruptible Sales Service (G-2).

Gas Charge = GCA

GCA = EGC + CF + RF + PBRRF

<u>Gas Cost Adjustment Components</u>	<u>G - 1</u>	<u>G-2</u>	
EGC (Expected Gas Cost Component)	4.2751	3.0533	(R, R)
CF (Correction Factor)	(0.2565)	(0.2565)	(I, I)
RF (Refund Adjustment)	(0.0035)	(0.0035)	(-, -)
PBRRF (Performance Based Rate Recovery Factor)	<u>0.1191</u>	<u>0.1191</u>	(-, -)
GCA (Gas Cost Adjustment)	<u><u>\$4.1342</u></u>	<u><u>\$2.9124</u></u>	(I, I)

DATE OF ISSUE September 30, 2016
MONTH / DATE / YEAR

DATE EFFECTIVE November 1, 2016
MONTH / DATE / YEAR

ISSUED BY /s/ Mark A. Martin
SIGNATURE OF OFFICER

TITLE Vice President – Rates & Regulatory Affairs

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO 2016-00000 DATED N/A

FOR ENTIRE SERVICE AREA

P.S.C. KY NO. 2

THIRTEENTH REVISED SHEET NO. 6

ATMOS ENERGY CORPORATION

NAME OF UTILITY

CANCELLING

TWELFTH REVISED SHEET NO. 6

Current Transportation

Case No. 2016-00000

The Transportation Rates (T-3 and T-4) for each respective service net monthly rate is as follows:

System Lost and Unaccounted gas percentage:

1.28%

				<u>Simple Margin</u>		<u>Non- Commodity</u>		<u>Gross Margin</u>		
<u>Transportation Service</u>¹										
<u>Firm Service (T-4)</u>										
First	300	Mcf	@	\$1.5340	+	\$0.0000	=	\$1.5340	per Mcf	(-)
Next	14,700	Mcf	@	0.9500	+	0.0000	=	0.9500	per Mcf	(-)
All over	15,000	Mcf	@	0.7400	+	0.0000	=	0.7400	per Mcf	(-)
 <u>Interruptible Service (T-3)</u>										
First	15,000	Mcf	@	\$0.8500	+	\$0.0000	=	\$0.8500	per Mcf	(-)
All over	15,000	Mcf	@	0.6405	+	0.0000	=	0.6405	per Mcf	(-)

¹ Excludes standby sales service.

DATE OF ISSUE September 30, 2016
MONTH / DATE / YEAR

DATE EFFECTIVE November 1, 2016
MONTH / DATE / YEAR

ISSUED BY /s/ Mark A. Martin
SIGNATURE OF OFFICER

TITLE Vice President – Rates & Regulatory Affairs

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO 2016-00000 DATED N/A

Atmos Energy Corporation
Comparison of Current and Previous Cases
Sales Service

Exhibit A
Page 1 of 2

Line No.	Description	Case No.		Difference
		(a) 2015-00343 \$/Mcf	(b) 2016-00000 \$/Mcf	
1	<u>G - 1</u>			
2				
3	<u>Distribution Charge (per Case No. 2015-00343)</u>			
4	First 300 Mcf	1.5340	1.5340	0.0000
5	Next 14,700 Mcf	0.9500	0.9500	0.0000
6	Over 15,000 Mcf	0.7400	0.7400	0.0000
7				
8	<u>Gas Cost Adjustment Components</u>			
9	EGC (Expected Gas Cost):			
10	Commodity	2.9740	2.8346	(0.1394)
11	Demand	1.4399	1.4405	0.0006
12	Total EGC	4.4139	4.2751	(0.1388)
13	CF (Correction Factor)	(0.4361)	(0.2565)	0.1796
14	RF (Refund Adjustment)	(0.0035)	(0.0035)	0.0000
15	PBRRF (Performance Based Rate Recovery Factor)	0.1191	0.1191	0.0000
16	GCA (Gas Cost Adjustment)	4.0934	4.1342	0.0408
17				
18	<u>Rate per Mcf (GCA included)</u>			
19	First 300 Mcf	5.6274	5.6682	0.0408
20	Next 14,700 Mcf	5.0434	5.0842	0.0408
21	Over 15,000 Mcf	4.8334	4.8742	0.0408
22				
23				
24	<u>G - 2</u>			
25				
26	<u>Distribution Charge (per Case No. 2015-00343)</u>			
27	First 15,000 Mcf	0.8500	0.8500	0.0000
28	Over 15,000 Mcf	0.6405	0.6405	0.0000
29				
30	<u>Gas Cost Adjustment Components</u>			
31	EGC (Expected Gas Cost):			
32	Commodity	2.9740	2.8346	(0.1394)
33	Demand	0.2288	0.2187	(0.0101)
34	Total EGC	3.2028	3.0533	(0.1495)
35	CF (Correction Factor)	(0.4361)	(0.2565)	0.1796
36	RF (Refund Adjustment)	(0.0035)	(0.0035)	0.0000
37	PBRRF (Performance Based Rate Recovery Factor)	0.1191	0.1191	0.0000
38	GCA (Gas Cost Adjustment)	2.8823	2.9124	0.0301
39				
40	<u>Rate per Mcf (GCA included)</u>			
41	First 300 Mcf	3.7323	3.7624	0.0301
42	Over 14,700 Mcf	3.5228	3.5529	0.0301
43				
44				
45	<u>Refund Factor (RF)</u>			
46				
47		Effective		
48		Date	RF	
49				
50	1 - 2016-00129	5/1/2016	0.0000	
51	2 - 2016-00224	8/1/2016	0.0000	
52	3 - 2015-00343	8/15/2016	0.0000	
53	4 - 2016-00000	11/1/2016	0.0000	
54				
55	Total Refund Factor (RF)		(\$0.0035)	

Atmos Energy Corporation
Comparison of Current and Previous Cases
Transportation Service

Exhibit A
Page 2 of 2

Line No.	Description	(a)	(b)	(c)
		Case No. 2015-00343	2016-00000	Difference
		\$/Mcf	\$/Mcf	\$/Mcf
1	<u>T -4 Transportation Service / Firm Service (High Priority)</u>			
2				
3	<u>Simple Margin / Distribution Charge (per Case No. 2015-00343)</u>			
4	First 300 Mcf	1.5340	1.5340	0.0000
5	Next 14,700 Mcf	0.9500	0.9500	0.0000
6	Over 15,000 Mcf	0.7400	0.7400	0.0000
7				
8				
9	<u>T - 3 / Interruptible Service (Low Priority)</u>			
10				
11	<u>Simple Margin / Distribution Charge (per Case No. 2015-00343)</u>			
12	First 15,000 Mcf	0.8500	0.8500	0.0000
13	Over 15,000 Mcf	0.6405	0.6405	0.0000
14				

Atmos Energy Corporation
Expected Gas Cost (EGC) Calculation
Texas Gas Transmission - Non-Commodity

Exhibit B
Page 1 of 8

Line No.	Description	(a) Tariff Sheet No.	(b) Annual Units MMbtu	(c) Rate \$/MMbtu	(d) (e) Non-Commodity	
					Total \$	Demand \$
1	<u>SL to Zone 2</u>					
2	NNS Contract #	29760	12,340,360			
3	Base Rate	Section 4.4 - NNS		0.3088	3,810,703	3,810,703
4						
5	Total SL to Zone 2		<u>12,340,360</u>		<u>3,810,703</u>	<u>3,810,703</u>
6						
7	<u>SL to Zone 3</u>					
8	NNS Contract #	29762	27,757,688			
9	Base Rate	Section 4.4 - NNS		0.3543	9,834,549	9,834,549
10						
11	FT Contract #	29759	6,022,500			
12	Base Rate	Section 4.1 - FT		0.2939	1,770,013	1,770,013
13						
14	FT Contract #	34380	3,650,000			
15	Base Rate	Section 4.1 - FT		0.2939	1,072,735	1,072,735
16						
17	Total SL to Zone 3		<u>37,430,188</u>		<u>12,677,297</u>	<u>12,677,297</u>
18						
19	<u>SL to Zone 4</u>					
20	NNS Contract #	29763	3,320,769			
21	Base Rate	Section 4.4 - NNS		0.4190	1,391,402	1,391,402
22						
23	FT Contract #	31097	1,825,000			
24	Base Rate	Section 4.1 - FT		0.3670	669,775	669,775
25						
26	Total SL to Zone 4		<u>5,145,769</u>		<u>2,061,177</u>	<u>2,061,177</u>
27						
28	<u>Zone 2 to Zone 4</u>					
29	FT Contract #	34674	2,309,720			
30	Base Rate	Section 4.1 - FT		0.2780	642,102	642,102
31						
32	Total Zone 2 to Zone 4		<u>2,309,720</u>		<u>642,102</u>	<u>642,102</u>
33						
34	Total SL to Zone 2		12,340,360		3,810,703	3,810,703
35	Total SL to Zone 3		37,430,188		12,677,297	12,677,297
36	Total Zone 1 to Zone 3		0		0	0
37	Total SL to Zone 4		5,145,769		2,061,177	2,061,177
38	Total Zone 2 to Zone 4		2,309,720		642,102	642,102
39						
40	Total Texas Gas		<u>57,226,037</u>		<u>19,191,279</u>	<u>19,191,279</u>
41						
42						
43	Total Texas Gas Area Non-Commodity				<u>19,191,279</u>	<u>19,191,279</u>

Atmos Energy Corporation
Expected Gas Cost (EGC) Calculation
Tennessee Gas Pipeline - Non-Commodity

Exhibit B
Page 2 of 8

Line No. Description	(a) Tariff Sheet No.	(b) Annual Units MMbtu	(c) Rate \$/MMbtu	(d) (e) Non-Commodity	
				Total \$	Demand \$
1 0 to Zone 2					
2 FT-G Contract # 2546		145,000			
3 Base Rate	23		15.5759	2,258,506	2,258,506
4					
5 FT-A Contract # 95033		144,000			
6 Base Rate	14		15.5759	2,242,930	2,242,930
7					
8 FT-A Contract # 315597		2,500			
9 Base Rate	14		15.5759	38,940	38,940
10					
12 Total Zone 0 to 2		<u>291,500</u>		<u>4,540,376</u>	<u>4,540,376</u>
13					
14 1 to Zone 2					
15 FT-A Contract # 300264		30,000			
16 Base Rate	14		10.5774	317,322	317,322
17					
18 Total Zone 1 to 2		<u>30,000</u>		<u>317,322</u>	<u>317,322</u>
19					
20 Gas Storage					
21 Production Area:					
22 Demand	61	34,968	2.0344	71,139	71,139
23 Space Charge	61	4,916,148	0.0207	101,764	101,764
24 Market Area:					
25 Demand	61	237,408	1.4938	354,640	354,640
26 Space Charge	61	<u>10,846,308</u>	<u>0.0205</u>	<u>222,349</u>	<u>222,349</u>
27 Total Storage		16,034,832		749,892	749,892
28					
29 Total Tennessee Gas Area FT-G Non-Commodity				<u>5,607,590</u>	<u>5,607,590</u>

Atmos Energy Corporation
Expected Gas Cost (EGC) Calculation
Texas Gas Transmission - Commodity Purchases

Exhibit B
Page 3 of 8

Line No.	(a) Description	(b) Tariff Sheet No.	(c) Purchases Mcf	(d) Purchases MMbtu	(e) Rate \$/MMbtu	(f) Total \$
1	<u>No Notice Service</u>			1,454,777		
2	Indexed Gas Cost				3.2400	4,713,477
3	Commodity (Zone 3)	Section 4.4 - NNS			0.0490	71,284
4	Fuel and Loss Retention @	Section 4.18.1	2.30%		0.0763	110,999
5					3.3653	4,895,760
6						
7	<u>Firm Transportation</u>			1,190,272		
8	Indexed Gas Cost				3.2400	3,856,481
9	Base (Weighted on MDQs)				0.0442	52,610
10	ACA	Section 4.1 - FT			0.0013	1,547
11	Fuel and Loss Retention @	Section 4.18.1	2.30%		0.0763	90,818
12					3.3618	4,001,456
13	<u>No Notice Storage</u>					
14	Net (Injections)/Withdrawals					
15	Withdrawals			2,286,643	2.2390	5,119,794
16	Injections			0	3.2400	0
17	Commodity (Zone 3)	Section 4.4 - NNS			0.0490	112,046
18	Fuel and Loss Retention @	Section 4.18.1	2.30%		0.0763	174,471
19				2,286,643	2.3643	5,406,311
20						
21						
22	Total Purchases in Texas Area			4,931,692	2.9003	14,303,527
23						
24						
25	<u>Used to allocate transportation non-commodity</u>					
26						
27			Annualized		Commodity	
28			MDQs in		Charge	Weighted
29	<u>Texas Gas</u>		MMbtu	Allocation	\$/MMbtu	Average
30	SL to Zone 2	Section 4.1 - FT	12,340,360	21.56%	\$0.0399	\$ 0.0086
31	SL to Zone 3	Section 4.1 - FT	37,430,188	65.41%	0.0445	\$ 0.0291
32	1 to Zone 3	Section 4.1 - FT	0	0.00%	0.0422	\$ -
33	SL to Zone 4	Section 4.1 - FT	5,145,769	8.99%	0.0528	\$ 0.0047
34	2 to Zone 4	Section 4.1 - FT	2,309,720	4.04%	0.0446	\$ 0.0018
35	Total		57,226,037	100.0%		\$ 0.0442
36						
37	<u>Tennessee Gas</u>					
38	0 to Zone 2	24	291,500	90.67%	\$0.0167	\$ 0.0151
39	1 to Zone 2	24	30,000	9.33%	0.0087	\$ 0.0008
40	Total		321,500	100.00%		\$ 0.0160

Atmos Energy Corporation
Expected Gas Cost (EGC) Calculation
Tennessee Gas Pipeline - Commodity Purchases

Exhibit B
Page 4 of 8

	(a)	(b)	(c)	(d)	(e)	(f)
Line No.	Description	Tariff Sheet No.	Purchases		Rate	Total
			Mcf	MMbtu	\$/MMbtu	\$
1	<u>FT-A and FT-G</u>			909,588		
2	Indexed Gas Cost				3.2400	2,947,065
3	Base Commodity (Weighted on MDQs)				0.0160	14,511
4	ACA	24			0.0013	1,182
5	Fuel and Loss Retention	32	1.32%		0.0433	39,385
6					3.3006	3,002,143
7						
8	<u>FT-GS</u>			0		
9	Indexed Gas Cost				3.2400	0
10	Base Rate	26			0.8697	0
11	ACA	24			0.0013	0
12	Fuel and Loss Retention	32	1.32%		0.0433	0
13					4.1543	0
14						
15	<u>Gas Storage</u>					
16	FT-A & FT-G Market Area Withdrawals			771,069	2.2390	1,726,423
17	FT-A & FT-G Market Area Injections			0	3.2400	0
18	Withdrawal Rate	61			0.0087	6,708
19	Injection Rate	61			0.0087	0
20	Fuel and Loss Retention	61	1.37%		0.0001	77
21	Total			771,069	2.2478	1,733,208
22						
23						
24						
25	Total Tennessee Gas Zones			1,680,657	2.8176	4,735,351

Atmos Energy Corporation
Expected Gas Cost (EGC) Calculation
Trunkline Gas Company

Exhibit B
Page 5 of 8

Commodity	(a)	(b)	(c)	(d)	(e)	(f)
Line No.	Description	Tariff Sheet No.	Purchases		Rate	Total
			Mcf	MMbtu	\$/MMbtu	\$
1	<u>Firm Transportation</u>					
2	Expected Volumes			215,000		
3	Indexed Gas Cost				3.2400	696,600
4	Base Commodity	13			0.0051	1,097
5	ACA	13			0.0013	280
6	Fuel and Loss Retention	13	1.31%		0.0397	8,536
7					<u>3.2861</u>	<u>706,513</u>
8						
9						

Non-Commodity

Line No.	Description	Tariff Sheet No.	(a)	(b)	(c)	(d)	(e)
					Non-Commodity		
			MMbtu	Annual Units	Rate	Total	Demand
					\$/MMbtu	\$	\$
	Injections						
10	FT-G Contract # 014573			33,750			
11	Discount Rate on MDQs				5.3776	181,494	181,494
12							
13	Total Trunkline Area Non-Commodity					<u>181,494</u>	<u>181,494</u>

Atmos Energy Corporation
Expected Gas Cost (EGC) Calculation
Demand Charge Calculation

Exhibit B
Page 6 of 8

Line No.	(a)	(b)	(c)	(d)	(e)
1	<u>Total Demand Cost:</u>				
2	Texas Gas Transmission	\$19,191,279			
3	Midwestern	0			
4	Tennessee Gas Pipeline	5,607,590			
5	Trunkline Gas Company	181,494			
6	Total	<u>\$24,980,363</u>			
7					
8		Allocated	Related	<u>Monthly Demand Charge</u>	
9	<u>Demand Cost Allocation:</u>	Factors	Demand	Volumes	Firm Interruptible
10	All	0.1599	\$3,994,360	18,265,729	0.2187 0.2187
11	Firm	0.8401	20,986,003	17,175,982	1.2218
12	Total	1.0000	<u>\$24,980,363</u>		<u>1.4405 0.2187</u>
13					
14		<u>Volumetric Basis for</u>			
15		Annualized	Monthly Demand Charge		
16		Mcf @14.65	All Firm		
17	<u>Firm Service</u>				
18	Sales:				
19	G-1	17,175,982	17,175,982	17,175,982	1.4405
20					
21	<u>Interruptible Service</u>				
22	Sales:				
23	G-2	1,089,747	1,089,747		1.4405 0.2187
24					
25	<u>Transportation Service</u>				
26	T-3 & T-4	30,187,776			
27					
28		<u>48,453,505</u>	<u>18,265,729</u>	<u>17,175,982</u>	
29					
30					

Atmos Energy Corporation
Expected Gas Cost (EGC) Calculation
Commodity - Total System

Exhibit B
Page 7 of 8

	(a)	(b)	(c)	(d)
Line No.	Purchases		Rate	Total
Description	Mcf	MMbtu	\$/Mcf	\$
1 <u>Texas Gas Area</u>				
2 No Notice Service	1,440,658	1,454,777	3.3983	4,895,760
3 Firm Transportation	1,178,721	1,190,272	3.3947	4,001,456
4 No Notice Storage	2,264,451	2,286,643	2.3875	5,406,311
5 Total Texas Gas Area	4,883,830	4,931,692	2.9288	14,303,527
6				
7 <u>Tennessee Gas Area</u>				
8 FT-A and FT-G	855,439	909,588	3.5095	3,002,143
9 FT-GS	0	0	0.0000	0
10 Gas Storage				
11 Injections	0	0	0.0000	0
12 Withdrawals	725,166	771,069	2.3901	1,733,208
13	1,580,605	1,680,657	2.9959	4,735,351
14 <u>Trunkline Gas Area</u>				
15 Firm Transportation	207,729	215,000	3.4011	706,513
16				
17 <u>Company Owned Storage</u>				
18 Withdrawals	2,481,319	2,504,147	2.3643	5,866,584
19 Injections	0	0		0
20 Net WKG Storage	2,481,319	2,504,147	2.3643	5,866,584
21				
22				
23 Local Production	6,181	6,242	3.2399	20,026
24				
25				
26				
27 Total Commodity Purchases	9,159,664	9,337,738	2.7984	25,632,001
28				
29 Lost & Unaccounted for @ 1.28%	117,244	119,523		
30				
31 Total Deliveries	9,042,420	9,218,215	2.8346	25,632,001
32				
33				
34				
35 Total Expected Commodity Cost	9,042,420	9,218,215	2.8346	25,632,001
36				
37				
38 Note: Column (c) is calculated by dividing column (d) by column (a)				
39				

Atmos Energy Corporation

Expected Gas Cost (EGC) Calculation

Load Factor Calculation for Demand Allocation

Exhibit B

Page 8 of 8

Line No.	Description	MCF
	<u>Annualized Volumes Subject to Demand Charges</u>	
1	Sales Volume	18,265,729
2	Transportation	<u>0</u>
3	Total Mcf Billed Demand Charges	18,265,729
4	Divided by: Days/Year	<u>365</u>
5	Average Daily Sales and Transport Volumes	<u>50,043</u>
6		
7	<u>Peak Day Sales and Transportation Volume</u>	
8	Estimated total company firm requirements for 5 degree average	
9	temperature days from Peak Day Book - with adjustments per rate filing	<u>313,060</u> Mcf/Peak Day
10		
11		
12	New Load Factor (line 5 / line 9)	0.1599
13		

Atmos Energy Corporation
Basis for Indexed Gas Cost
For the Quarter ending January 31, 2017

The projected commodity price was provided by the Gas Supply Department and was based upon the following:

- A. The Gas Supply Department reviewed the NYMEX futures close prices for the quarter of November 2016 through January 2017 during the period September 12 through September 23, 2016.

		Nov-16 (\$/MMBTU)	Dec-16 (\$/MMBTU)	Jan-17 (\$/MMBTU)
Monday	09/12/16	2.986	3.179	3.298
Tuesday	09/13/16	2.989	3.176	3.296
Wednesday	09/14/16	2.969	3.173	3.299
Thursday	09/15/16	3.002	3.191	3.311
Friday	09/16/16	3.021	3.211	3.333
Monday	09/19/16	3.005	3.197	3.322
Tuesday	09/20/16	3.109	3.291	3.410
Wednesday	09/21/16	3.132	3.321	3.441
Thursday	09/22/16	3.061	3.268	3.392
Friday	09/23/16	3.013	3.220	3.341
Average		<u>\$3.029</u>	<u>\$3.223</u>	<u>\$3.344</u>

- B. The Company believes prices are increasing and prices for the quarter ending January 31, 2017 will settle at \$3.240 per MMBTU (based on the average of the past ten days) for the period that the GCA is to become effective.

In support of Item B, a worksheet entitled "Estimated Weighted Average Cost of Gas" has been filed under a Petition for Confidentiality in this Case.

Atmos Energy Corporation
Estimated Weighted Average Cost of Gas
For the Quarter ending January 31, 2017

	November-16			December-16			January-17			Total		
	<u>Volumes</u>	<u>Rate</u>	<u>Value</u>	<u>Volumes</u>	<u>Rate</u>	<u>Value</u>	<u>Volumes</u>	<u>Rate</u>	<u>Value</u>	<u>Volumes</u>	<u>Rate</u>	<u>Value</u>
Texas Gas												
Trunkline												
Tennessee Gas												
TX Gas Storage												
TN Gas Storage												
WKG Storage												
Midwestern												

(This information has been filed under a Petition for Confidentiality)

WACOGs

Line No.	(a) Month	(b) Actual Purchased Volume (Mcf)	(c) Recoverable Gas Cost	(d) Actual GCA Recovered Gas Cost	(e) Under (Over) Recovery Amount	(f) Adjustments	(g) Total
1	May-16	617,723	\$2,857,431.55	\$2,344,911.67	\$512,519.88	\$0.00	\$512,519.88
2							
3	June-16	403,073	\$2,325,934.26	\$1,610,181.82	\$715,752.44	\$0.00	\$715,752.44
4							
5	July-16	357,837	\$3,432,475.80	\$1,531,795.91	\$1,900,679.89	\$0.00	\$1,900,679.89
6							
7	Total Gas Cost						
8	Under/(Over) Recovery		<u>\$8,615,841.61</u>	<u>\$5,486,889.40</u>	<u>\$3,128,952.21</u>	<u>\$0.00</u>	<u>\$3,128,952.21</u>
9							
10	PBR Savings reflected in Gas Costs		<u>\$949,311.37</u>				
11							
12	<u>Correction Factor - Part 1</u>						
13	(Over)/Under Recovered Gas Cost through April 2016 (May 2016 GL)					(9,346,096.73)	
14	Total Gas Cost Under/(Over) Recovery for the three months ended July 2016					3,128,952.21	
15	Recovery from outstanding Correction Factor (CF)					150,712.20	
16	Over-Refunded Amount of Pipeline Refunds					0.00	
17	(Over)/Under Recovered Gas Cost through July 2016 (August 2016 GL) (a)					<u>(\$6,066,432.32)</u>	
18	Divided By: Total Expected Customer Sales (b)					18,265,729	Mcf
19							
20	Correction Factor - Part 1					(\$0.3321)	/ Mcf
21							
22	<u>Correction Factor - Part 2</u>						
23	Net Uncollectible Gas Cost through November 2015 (c)					<u>1,380,293.22</u>	
24	Divided By: Total Expected Customer Sales (b)					18,265,729	
25							
26	Correction Factor - Part 2					<u>\$0.0766</u>	/ Mcf
27							
28	<u>Correction Factor - Total (CF)</u>						
29	Total Deferred Balance through July 2016 (August 2016 GL) incl. Net Uncol Gas Cost					<u>(\$4,686,139.10)</u>	
30	Divided By: Total Expected Customer Sales (b)					18,265,729	
31							
32	Correction Factor - Total (CF)					<u>(\$0.2566)</u>	/ Mcf
33							

Atmos Energy Corporation
Recoverable Gas Cost Calculation
For the Three Months Ended July 2016
2016-00000

Exhibit D
Page 2 of 6

Line No.	Description	GL Unit	June-16	July-16	August-16
			(a)	(b)	(c)
			Month		
			May-16	June-16	July-16
1	Supply Volume				
2	Pipelines:				
3	Texas Gas Transmission ¹	Mcf	0	0	0
4	Tennessee Gas Pipeline ¹	Mcf	0	0	0
5	Trunkline Gas Company ¹	Mcf	0	0	0
6	Midwestern Pipeline ¹	Mcf	0	0	0
7	Total Pipeline Supply	Mcf	0	0	0
8	Total Other Suppliers	Mcf	1,759,142	1,796,892	1,598,350
9	Off System Storage				
10	Texas Gas Transmission	Mcf	0	0	0
11	Tennessee Gas Pipeline	Mcf	0	0	0
12	System Storage				
13	Withdrawals	Mcf	445	0	0
14	Injections	Mcf	(760,836)	(786,274)	(749,050)
15	Producers	Mcf	3,727	2,083	3,652
16	Third Party Reimbursements	Mcf	(22)	(60)	(38)
17	Pipeline Imbalances cashed out	Mcf			
18	System Imbalances ²	Mcf	(384,733)	(609,568)	(495,077)
19	Total Supply	Mcf	617,723	403,073	357,837
20					
21	Change in Unbilled	Mcf			
22	Company Use	Mcf	0	0	0
23	Unaccounted For	Mcf	0	0	0
24	Total Purchases	Mcf	617,723	403,073	357,837

¹ Includes settlement of historical imbalances and prepaid items.

² Includes Texas Gas No-Notice Service volumes and monthly imbalances related to transportation customer activities.

Atmos Energy Corporation
Recoverable Gas Cost Calculation
For the Three Months Ended July 2016
2016-00000

Exhibit D
Page 3 of 6

Line No.	Description	GL Unit	June-16	July-16	August-16
			(a)	(b)	(c)
			Month		
			May-16	June-16	July-16
1	Supply Cost				
2	Pipelines:				
3	Texas Gas Transmission ¹	\$	1,283,466	1,234,768	1,276,133
4	Tennessee Gas Pipeline ¹	\$	193,705	183,030	183,044
5	Trunkline Gas Company ¹	\$	6,872	6,653	6,875
6	Twin Eagle Resource Management	\$	17,883	17,981	16,564
7	Midwestern Pipeline ¹	\$	0	0	0
8	Total Pipeline Supply	\$	1,501,927	1,442,432	1,482,616
9	Total Other Suppliers	\$	3,220,600	3,247,511	4,482,573
10	Hedging Settlements	\$	0	0	0
11	Off System Storage				
12	Texas Gas Transmission	\$			
13	Tennessee Gas Pipeline	\$			
14	WKG Storage	\$	122,500	122,500	122,500
15	System Storage				
16	Withdrawals	\$	966	0	0
17	Injections	\$	(1,379,785)	(1,439,088)	(2,104,239)
18	Producers	\$	7,396	4,594	10,346
19	Third Party Reimbursements	\$	(413)	(622)	(667)
20	Pipeline Imbalances cashed out	\$			
21	System Imbalances ²	\$	(615,758)	(1,051,393)	(560,655)
22	Sub-Total	\$	2,857,432	2,325,934	3,432,476
23	Pipeline Refund + Interest				
24	Change in Unbilled	\$			
25	Company Use	\$	0		
26	Recovered thru Transportation	\$	0		
27	Total Recoverable Gas Cost	\$	<u>2,857,431.55</u>	<u>2,325,934.26</u>	<u>3,432,475.80</u>

¹ Includes demand charges, cost of settlement of historical imbalances and prepaid items.

² Includes Texas Gas No-Notice Service volumes and monthly imbalances related to transportation customer activities.

[illegible]

Description	May, 2016		June, 2016		July, 2016	
	MCF	Cost	MCF	Cost	MCF	Cost
1 Texas Gas Pipeline Area						
2 LG&E Natural						
3 Texaco Gas Marketing						
4 CMS						
5 WESCO						
6 Southern Energy Company						
7 Union Pacific Fuels						
8 Atmos Energy Marketing, LLC						
9 Engage						
10 ERI						
11 Prepaid						
12 Reservation						
13 Hedging Costs - All Zones						
14						
15 Total	1,727,858	\$3,165,013.77	1,766,883	\$3,195,352.85	1,569,238	\$4,401,682.78
16						
17						
18 Tennessee Gas Pipeline Area						
19 Chevron Natural Gas, Inc.						
20 Atmos Energy Marketing, LLC						
21 WESCO						
22 Prepaid						
23 Reservation						
24 Fuel Adjustment						
25						
26 Total	31,076	\$55,488.38	30,104	\$62,576.40	30,261	\$84,460.89
27						
28						
29 Trunkline Gas Company						
30 Atmos Energy Marketing, LLC						
31 Engage						
32 Prepaid						
33 Reservation						
34 Fuel Adjustment						
35						
36 Total	85	\$160.93	34	\$87.04	(348)	(\$916.23)
37						
38						
39 Midwestern Pipeline						
40 Atmos Energy Marketing, LLC						
41 Midwestern Gas Transmission						
42 Anadarko						
43 Prepaid						
44 Reservation						
45 Fuel Adjustment						
46						
47 Total	123	\$240.38	(129)	(\$330.25)	(801)	(\$2,308.40)
48						
49						
50 ANR Pipeline						
51 Atmos Energy Marketing, LLC						
52 LG&E Natural						
53 Anadarko						
54 Prepaid						
55 Reservation						
56 Fuel Adjustment						
57						
58 Total	0	(\$283.68)	0	(\$174.99)	0	(\$345.67)
59						
60						
61 All Zones						
62 Total	1,759,142	\$3,220,599.78	1,796,892	\$3,247,511.05	1,598,350	\$4,482,573.17
63						
64						
65						

**** Detail of Volumes and Prices Has Been Filed Under Petition for Confidentiality ****

Atmos Energy Corporation**Net Uncollectible Gas Cost**

Twelve Months Ended November, 2015

Exhibit D

Page 6 of 6

Line No.	Month (a)	Gas Cost Written Off (b)	Margin Written Off (c)	Taxes & Other Written Off (d)	Total Written Off (e)	Gas Cost Collected (f)	Margin Collected (g)	Net Uncollectible Gas Cost (h)	Cumulative Net Uncollectible Gas Cost (i)
1	Dec-14	(\$47,581.97)	(\$63,019.35)	(\$4,627.52)	(\$115,228.84)	\$21,272.01	\$21,505.29	\$26,309.96	\$26,309.96
2	Jan-15	(\$29,383.53)	(\$56,715.38)	(\$3,198.79)	(\$89,297.70)	\$19,696.25	\$19,007.44	\$9,687.28	\$35,997.24
3	Feb-15	(\$24,378.00)	(\$37,871.46)	(\$2,622.55)	(\$64,872.01)	\$27,496.04	\$25,010.05	(\$3,118.04)	\$32,879.20
4	Mar-15	(\$454,805.65)	(\$443,598.70)	(\$43,980.48)	(\$942,384.83)	\$16,688.45	\$15,359.83	\$438,117.20	\$470,996.40
5	Apr-15	(\$17,415.51)	(\$32,624.42)	(\$1,767.55)	(\$51,807.48)	\$10,776.09	\$10,653.78	\$6,639.42	\$477,635.82
6	May-15	(\$95,707.90)	(\$116,421.67)	(\$10,754.59)	(\$222,884.16)	\$9,601.25	\$9,840.42	\$86,106.65	\$563,742.47
7	Jun-15	(\$57,730.47)	(\$57,589.58)	(\$5,711.27)	(\$121,031.32)	\$9,035.07	\$9,222.12	\$48,695.40	\$612,437.87
8	Jul-15	(\$118,189.92)	(\$119,154.83)	(\$8,423.51)	(\$245,768.26)	\$9,090.18	\$12,618.17	\$109,099.74	\$721,537.61
9	Aug-15	(\$214,745.05)	(\$139,755.61)	(\$15,675.92)	(\$370,176.58)	\$8,021.42	\$12,554.72	\$206,723.63	\$928,261.24
10	Sep-15	(\$241,818.08)	(\$153,161.89)	(\$18,158.66)	(\$413,138.63)	\$12,166.38	\$14,055.66	\$229,651.70	\$1,157,912.94
11	Oct-15	(\$273,297.84)	(\$209,311.20)	(\$21,896.82)	(\$510,707.16)	\$47,808.08	\$33,820.42	\$225,489.76	\$1,383,402.70
12	Nov-15	(\$62,361.70)	(\$83,149.77)	(\$6,765.82)	(\$152,277.29)	\$65,471.18	\$48,008.47	(\$3,109.48)	\$1,380,293.22

Atmos Energy Corporation
Refund Factor
Case No. 2016-00129
(RF)

Exhibit E
Page 1 of 2

Line No.	Amounts Reported:	AMOUNT		
1	Tennessee Gas Pipeline Rate Case Refund, Docket No. RP11-1566	\$	-	
2				
3	Carryover from Case No. 2015-00000		0.00	
4	Less: amount related to specific end users		0.00	
5	Amount to flow-through	\$	-	
6				
7	Average of the 3-Month Commercial Paper Rates for the immediately		0.00%	
8	preceding 12-month period less 1/2 of 1% to cover the costs of refunding.			
9				
10		(1)	(2)	(3)
11	Allocation	Demand	Commodity	Total
12				
13	Balance to be Refunded	\$0	\$ -	\$0
14		0	0	0
15				
16	Total (w/o interest)	0	0	0
17	Interest (Line 14 x Line 5)	0	0	0
18	Total	\$0	\$0	\$0
19				
20	Refund Calculation			
21				
22	Demand Allocator - All			
23	(See Exh. B, p. 8, line 12)	0.1599		
24	Demand Allocator - Firm			
25	(1 - Demand Allocator - All)	0.8401		
26	Firm Volumes (normalized)			
27	(See Exh. B, p. 6, col. 3, line 28)	17,175,982		
28	All Volumes (excluding Transportation)			
29	(See Exh. B, p. 6, col. 2, line 28)	18,265,729		
30				
31	Demand Factor - All	\$0	\$0.0000 / MCF	
32	Demand Factor - Firm	\$0	\$0.0000 / MCF	
33	Commodity Factor	\$0	\$ - / MCF	
34	Total Demand Firm Factor			
35	(Col. 2, lines 29 - 30)	\$0.0000 / MCF		
36	Total Demand Interruptible Factor			
37	(Col. 2, line 29)	\$0.0000 / MCF		
38	Total Firm Sales Factor			
39	(Col. 2, line 31 + col. 1, line 33)	\$ - / MCF		

Atmos Energy Corporation
Performance Based Rate Recovery Factor
2016-00000
(PBRRF)

Exhibit E

Line No.	Amounts Reported:	AMOUNT
1	Company Share of 11/14-10/15 PBR Activity	\$ 2,870,080.42
2	Carry-over Amount in Case No. 2011-00520	(\$695,131.92)
3		-
4	Total	\$ 2,174,948.50
5		
6		
7	Total	\$ 2,174,948.50
8	Less: Amount related to specific end users	0.00
9	Amount to flow-through	\$ 2,174,948.50
10		
11		
12		
13	Allocation	Total
14		
15	Company share of PBR activity	\$ 2,174,948.50
16		
17	PBR Calculation	
18		
19	Demand Allocator - All	
20	(See Exh. B, p. 6, line 10)	0.1599
21	Demand Allocator - Firm	
22	(1 - Demand Allocator - All)	0.8401
23	Firm Volumes (normalized)	
24	(See Exh. B, p. 6, col. (a), line 19)	17,175,982
25	All Volumes (excluding Transportation)	
26	(See Exh. B, p. 6, col. (b), line 28)	18,265,729
27		
28		
29	Total Sales Factor (Line 15 / Line 26)	\$ 0.1191 / MCF
30		
31	Total Interruptible Sales Factor (Line 29)	\$ 0.1191 / MCF

Atmos Energy Corporation
Performance Based Rate Recovery - Residual Balance Calculation
Carry-over Amount in Case No.

EXHIBIT E
Workpaper 1

Company Share of 11/13-10/14 PBR Activity
Carry-over Amount in Case No. 2013-00484

2,666,021.47
382,557.62

Balance Filed in Case No.

3,048,579.09

Line No.	Month (a)	Sales (b)	PBRRF (c)	PBR Recoveries (d)	PBR Recovery Adjustments (e)	Total PBR Recoveries (d) + (e) = (f)	Balance Prior (g) - (f) = (g)
1							
2	Balance Forward (from above)						\$ 3,048,579.09
3	Feb-14	4,197,758	\$0.1936	\$812,685.95	\$2,766.42	815,452.37	2,233,126.72
4	Mar-14	2,968,648	0.1936	574,730.25	\$1,422.38	576,152.63	1,656,974.09
5	Apr-14	1,649,904	0.1936	319,421.41	(\$513.91)	318,907.50	1,338,066.59
6	May-14	723,294	0.1936	140,029.72	(\$276.19)	139,753.53	1,198,313.06
7	Jun-14	357,382	0.1936	69,189.16	\$1,502.73	70,691.89	1,127,621.17
8	Jul-14	463,345	0.1936	89,703.59	(\$1,837.03)	87,866.56	1,039,754.61
9	Aug-14	378,904	0.1936	73,355.81	(\$221.45)	73,134.36	966,620.25
10	Sep-14	429,637	0.1936	83,177.72	(\$367.88)	82,809.84	883,810.41
11	Oct-14	781,762	0.1936	151,349.12	(\$39,176.47)	112,172.65	771,637.76
12	Nov-14	1,396,009	0.1936	270,267.34	\$3,960.31	274,227.65	497,410.11
13	Dec-14	2,585,488	0.1936	500,550.48	\$3,756.88	504,307.36	(6,897.25)
14	Jan-15	3,523,315	0.1936	682,113.78	\$6,120.89	688,234.67	(695,131.92)
15							
16	Total	19,455,446		\$3,766,574.33	(\$22,863.32)	\$3,743,711.01	(\$695,131.92)

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

In the Matter of:

GAS COST ADJUSTMENT)	CASE NO.
FILING OF)	2016-00000
ATMOS ENERGY CORPORATION)	

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

Atmos Energy Corporation ("Atmos") respectfully petitions the Kentucky Public Service Commission ("Commission") pursuant to 807 KAR 5:001 Section 13 for confidential treatment of the information which is described below and which is attached hereto. In support of this Petition, Atmos states as follows:

1. Atmos is filing its Gas Cost Adjustment ("GCA") for the quarterly period commencing on November 1, 2016 through January 31, 2017. This GCA filing contains a change to Atmos' Correction Factor (CF) as well as information pertaining to Atmos' projected gas prices. The following two attachments contain information which requires confidential treatment.
 - a. The attached Exhibit D, Page 5 of 6 contains confidential information from which the actual price being paid by Atmos for natural gas to its supplier can be determined.
 - b. The attached Weighted Average Cost of Gas ("WACOG") schedule in support of Exhibit C, Page 2 of 2 contains confidential information pertaining to prices projected to be paid by Atmos for purchase contracts.

2. Information of the type described above has previously been filed by Atmos with the Commission under petitions for confidentiality. The Commission has consistently granted confidential protection to that type of information in each of the prior GCA filings since KPSC Case No. 1999-070.

3. All of the information sought to be protected herein as confidential, if publicly disclosed, would have serious adverse consequences to Atmos and its customers. Public disclosure of this information would impose an unfair commercial disadvantage on Atmos. Atmos has successfully negotiated an extremely advantageous gas supply contract that is very beneficial to Atmos and its ratepayers. Detailed information concerning that contract, including commodity costs, demand and transportation charges, reservations fees, etc. on specifically identified pipelines, if made available to Atmos' competitors, (including specifically non-regulated gas marketers), would clearly put Atmos to an unfair commercial disadvantage. Those competitors for gas supply would be able to gain information that is otherwise confidential about Atmos' gas purchases and transportation costs and strategies. The Commission has accordingly granted confidential protection to such information.

4. Likewise, the information contained in the WACOG schedule in support of Exhibit C, Page 2 of 2, also constitutes sensitive, proprietary information which if publicly disclosed would put Atmos to an unfair commercial disadvantage in future negotiations.

5. Atmos would not, as a matter of company policy, disclose any of the information for which confidential protection is sought herein to any person or entity, except as required by law or pursuant to a court order or subpoena. Atmos' internal practices and policies are directed towards non-disclosure of the attached information. In fact, the information contained in the

attached report is not disclosed to any personnel of Atmos except those who need to know in order to discharge their responsibility. Atmos has never disclosed such information publicly. This information is not customarily disclosed to the public and is generally recognized as confidential and proprietary in the industry.

6. There is no significant interest in public disclosure of the attached information. Any public interest in favor of disclosure of the information is out weighed by the competitive interest in keeping the information confidential.

7. The attached information is also entitled to confidential treatment because it constitutes a trade secret under the two prong test of KRS 265.880: (a) the economic value of the information as derived by not being readily ascertainable by other persons who might obtain economic value by its disclosure; and, (b) the information is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. The economic value of the information is derived by Atmos maintaining the confidentiality of the information since competitors and entities with whom Atmos transacts business could obtain economic value by its disclosure.

8. The attached information is, for the reasons set forth above, entitled to confidential protection under KRS 61.878.

9. The attached information should be treated as confidential for an indefinite period because its competitively sensitive nature will last for an indefinite period.

WHEREFORE, Atmos petitions the Commission to treat as confidential all of the material and information which is included in the attached one volume marked "Confidential".

Respectfully submitted this 30th day of September, 2016.



Mark R. Hutchinson
611 Frederica Street
Owensboro, Kentucky 42301
randy@whplawfirm.com

John N. Hughes
124 W. Todd Street
Frankfort, Kentucky 40601
JNHUGHES@FEWPB.NET

Attorneys for Atmos Energy Corporation