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OCT 12 2016

PUBLIC SERVICE
COMMISSION

October 14, 2016

Ms. Talina Mathews, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602

Re: Case No. 2016-00352 – Amended Schedules from September 30, 2016 Filing

Dear Ms. Mathews:

We are filing the enclosed original and ten (10) copies of amended Tariff Sheet No. 4, 5, & 6, and Exhibit A, page 1 of 2, Comparison of Current and Previous Cases, which replaces the tariff sheets and exhibits as filed on September 30, 2016, Case No. 2016-00352.

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".

Stellie Jackson
Rate Administration Analyst

Enclosures

RECEIVED

OCT 12 2016

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE
KENTUCKY PUBLIC SERVICE COMMISSION

In the Matter of:

GAS COST ADJUSTMENT)
FILING OF)
ATMOS ENERGY CORPORATION)

Case No. 2016-00352

NOTICE

QUARTERLY FILING

For The Period

November 1, 2016 – January 31, 2017

Attorney for Applicant

Mark R. Hutchinson
611 Frederica Street
Owensboro, Kentucky 42301

October 14, 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 \$4.1377 per Mcf and \$2.9159 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 (\$0.0000) per Mcf will remain in effect until at least January 31, 2017.

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 14th Day of October, 2016.

ATMOS ENERGY CORPORATION

By:  _____

Stellie S. Jackson
Rate Administration Analyst
Atmos Energy Corporation

ATMOS ENERGY CORPORATION

NAME OF UTILITY

Current Rate Summary

Case No. 2016-00352

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 Mcf ²

First	300	¹	Mcf
Next	14,700	¹	Mcf
Over	15,000		Mcf

Sales (G-1)

@	5.6717	per Mcf
@	5.0877	per Mcf
@	4.8777	per Mcf

Transportation (T-4)

@	1.5340	per Mcf
@	0.9500	per Mcf
@	0.7400	per Mcf

(l, -)
(l, -)
(l, -)

Interruptible Service

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

Rate per Mcf ²

First	15,000	¹	Mcf
Over	15,000		Mcf

Sales (G-2)

@	3.7659	per Mcf
@	3.5564	per Mcf

Transportation (T-3)

@	0.8500	per Mcf
@	0.6405	per Mcf

(l, -)
(l, -)

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 October 14, 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 2016-00352 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. 2016-00352

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)	0.0000	0.0000	(I, I)
PBRRF (Performance Based Rate Recovery Factor)	<u>0.1191</u>	<u>0.1191</u>	(-, -)
GCA (Gas Cost Adjustment)	<u><u>\$4.1377</u></u>	<u><u>\$2.9159</u></u>	(I, I)

DATE OF ISSUE October 14, 2016
MONTH / DATE / YEAR

DATE EFFECTIVE November 1, 2016
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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 2016-00352 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. 2016-00352

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>	
Transportation Service 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 October 14, 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 2016-00352 DATED N/A

Line No.	Description	Case No.		Difference
		(a) 2015-00343 \$/Mcf	(b) 2016-00352 \$/Mcf	
1	G - 1			
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)	0.0000	0.0035
15	PBRRF (Performance Based Rate Recovery Factor)	0.1191	0.1191	0.0000
16	GCA (Gas Cost Adjustment)	4.0934	4.1377	0.0443
17				
18	<u>Rate per Mcf (GCA included)</u>			
19	First 300 Mcf	5.6274	5.6717	0.0443
20	Next 14,700 Mcf	5.0434	5.0877	0.0443
21	Over 15,000 Mcf	4.8334	4.8777	0.0443
22				
23				
24	G - 2			
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)	0.0000	0.0035
37	PBRRF (Performance Based Rate Recovery Factor)	0.1191	0.1191	0.0000
38	GCA (Gas Cost Adjustment)	2.8823	2.9159	0.0336
39				
40	<u>Rate per Mcf (GCA included)</u>			
41	First 300 Mcf	3.7323	3.7659	0.0336
42	Over 14,700 Mcf	3.5228	3.5564	0.0336
43				
44				
45	Refund Factor (RF)			
47		Effective Date	RF	
48		Case No.		
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 -	2016-00352	11/1/2016	0.0000
54				
55	Total Refund Factor (RF)			\$0.0000