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PUBLIC SERVICE
COMMISSION

December 2, 2015

Mr. Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

Subject: KPSC Case No. 2012-00440
2015-2016 Interim Hedge Report

Dear Mr. Derouen:

Atmos Energy Corporation (Company) herewith submits an original non re-dacted and ten (10) re-dacted copies of the interim hedge report pursuant to the Ordering Paragraph 2 of the Commission's Order dated March 28, 2013 in the above referenced proceeding. Exhibits A-D as well as the Narrative Report contain CONFIDENTIAL information and will be filed with a petition of confidentiality.

Please contact me at 270.685.8024 if the Commission or Staff has any questions regarding the enclosed report.

Sincerely,

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

Mark A. Martin
Vice President, Rates & Regulatory Affairs

Enclosures

cc: Randy Hutchinson
Don Erickson
Larry Cook

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

DEC 03 2015

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

THE INTERIM REPORT OF ATMOS ENERGY CORPORATION
ON ITS HEDGING PROGRAM FOR THE 2015-2016
HEATING SEASON

Case No. 2012-00440

**MOTION TO ACCEPT INTERIM REPORT OF HEDGING PROGRAM
FOR THE 2015-2016 HEATING SEASON**

Comes now, Atmos Energy Corporation ("Atmos") and files herewith its Interim Report for the 2015-2016 Heating Season identifying, inter alia, gas costs realized under Atmos' hedging program. Atmos Energy respectfully moves the Commission to accept the attached Interim Hedging Report for the 2015-2016 Heating Season.

Respectfully submitted this ____ day of December, 2015.



Mark R. Hutchinson
WILSON, HUTCHINSON & LITTLEPAGE
611 Frederica Street
Owensboro, Kentucky 42301
randy@whplawfirm.com

CERTIFICATE OF SERVICE

I hereby certify that on the 2ND day of December, 2015 the original of this Motion, together with ten (10) copies thereof, was sent by overnight delivery to the Kentucky Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40206.



Mark R. Hutchinson

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

THE INTERIM REPORT OF ATMOS ENERGY CORPORATION
ON ITS HEDGING PROGRAM FOR THE 2015-2016
HEATING SEASON

Case No. 2012-00440

**PETITION FOR CONFIDENTIALITY OF ATMOS'
INTERIM HEDGING REPORT**

Atmos Energy Corporation ("Atmos") respectfully petitions the Kentucky Public Service Commission ("Commission"), pursuant to 807 KAR 5:001 Section 13, and all other applicable law, for confidential treatment of Atmos' Interim Hedging Report for the 2015-2016 heating season.

1. In KPSC Case No. 2013-00421, Atmos filed a request with the Kentucky Public Service Commission for approval to extend its existing gas cost hedging program for five years, through March 31, 2019. On March 10, 2014 the Commission entered an Order approving the continuation of Atmos' hedging program pending issuance of a final Commission Order.

On September 18, 2014, the Commission entered its Final Order in this proceeding denying Atmos' request to extend its hedging program and ordering Atmos to cease hedging activities as of the date following the date of the Order. In light of the Commission's prior orders requiring interim and final hedging reports, the attached Interim Report is being filed to report the hedging activities entered prior to the September 18, 2014 Order.

2. Portions of the attached report, together with the Exhibits attached thereto, contain sensitive pricing information and confidential information about Atmos' hedging strategies. Atmos' hedging strategies (including the prices Atmos would likely pay for hedging contracts under various market conditions) constitutes sensitive, proprietary information which if publicly disclosed could put Atmos at a commercial disadvantage in future hedging negotiations. Prospective brokers of hedging devices would gain insight into how Atmos is likely to react to changing market conditions in terms of what Atmos might be

willing to pay for hedging contracts. This information would not otherwise be available. Although the full extent to which Atmos would be disadvantaged in future negotiations is difficult to predict, it is clear that Atmos would likely be disadvantaged in future negotiations if the information contained in the attachments to this Petition is made public.

3. Atmos would not, as a matter of company policy, disclose information like that contained in the attachments 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 attachments 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. The Commission has historically granted Atmos confidential protection to information concerning the actual price being paid by Atmos to individual marketing companies and other suppliers of natural gas.

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

5. The information contained in the attachments is also entitled to confidential treatment because it constitutes a trade secret under the two prong test of KRS 365.880(4): (a) the economic value of the information is 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 this information is derived by Atmos maintaining the confidentiality of the information since prospective brokers could obtain economic value by its disclosure.

6. Because the competitively sensitive nature of the information sought to be protected will last

indefinitely, the Commission is requested to treat the information confidential for an indefinite period.

WHEREFORE, Atmos petitions the Commission to treat as confidential all of the material and information contained in the attached that is redacted or marked CONFIDENTIAL.

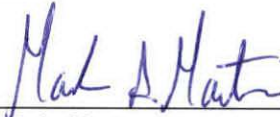
Respectfully submitted this 2ND day of December, 2015.



Mark R. Hutchinson
WILSON, HUTCHINSON & LITTLEPAGE
611 Frederica Street
Owensboro, Kentucky 42301
randy@whplawfirm.com

VERIFICATION

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



Mark A. Martin

CERTIFICATE OF SERVICE

I hereby certify that on the ___ day of December, 2015 the original of this Petition, with the Confidential Information for which confidential treatment is sought, together with ten (10) copies of the Petition without the confidential information, were sent by overnight delivery to the Kentucky Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40206.



Mark R. Hutchinson

Atmos Energy Corporation

Case No. 2012-00440

2015-2016 Interim Hedge Report

Table of Contents

Tab 1	Narrative Report
Tab 2	Exhibit A - Summary
Tab 3	Exhibit B – Gas Cost
Tab 4	Exhibit C – Hedge Report
Tab 5	Exhibit D – Accounting Entries

Atmos Energy's Purchasing Decisions

Exhibit A summarizes hedging transactions, dates and details including forecasts (with the NYMEX closing price on the day of implementation as the best indication of future market prices) available at the time the transactions were implemented. Atmos' hedging plan is to implement through the end of October however, per Case No. 2013-00421, Atmos did not implement additional volume for Kentucky after its first September implementation occurring on September 4, 2014.

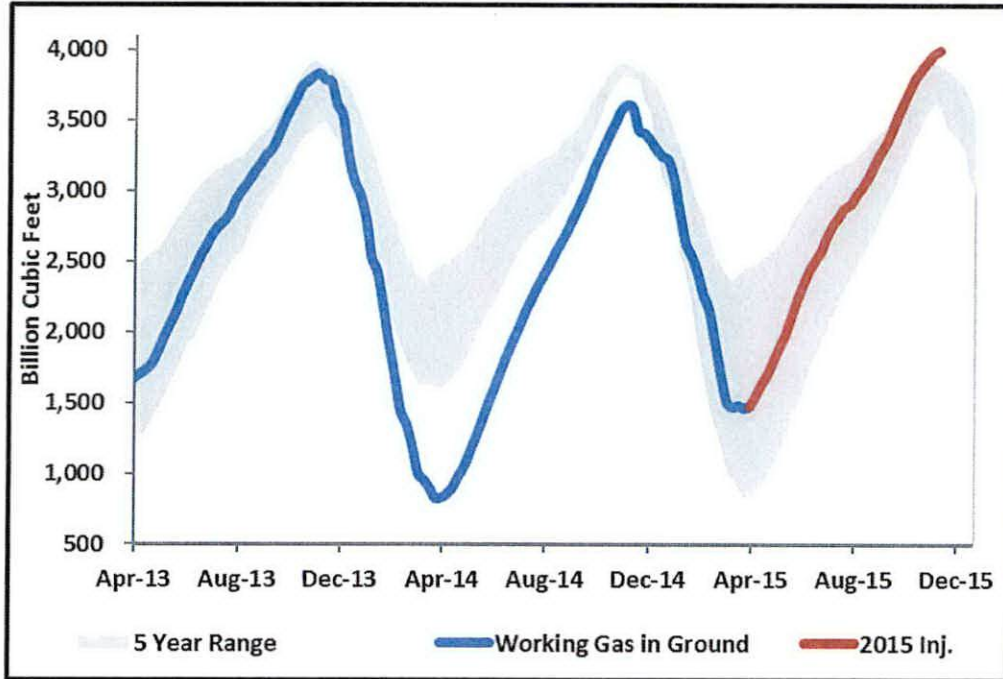
[REDACTED]

Volatility Results from Atmos Energy's Hedging Program

[REDACTED]

Storage Levels

Working gas in underground storage for the week ending November 19, 2015 was 4,000 Bcf which was 404 Bcf above the same time in 2014 and 207 Bcf above than the five year average. Please see the chart below showing the gas in underground storage from April 2013 through November 19, 2015 with the red line indicating activity from April 2015 through November 2015.



Total Gas Cost



Year	Total Gas Cost
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]

Please see Exhibit B for total gas cost by month for the past five years which includes all storage and hedging activity as line items.

* [Redacted]

Impact of Atmos Energy Storage

Atmos develops seasonal summer and winter supply plans which project its storage injection and withdrawal levels. Historically, Atmos has planned to inject on essentially a ratable basis, both Atmos owned storage and pipeline storage, across the injection season (April through October). Withdrawals are similarly scheduled across the winter months; variances from normal weather may

cause differentials between planned storage withdrawals and actual withdrawals. While storage does provide a natural hedge by purchasing during the summer and withdrawing in the winter, Atmos utilizes storage primarily for operational purposes. In addition to the natural hedge storage provides, expected storage withdrawal volume reduces the amount of volume Atmos hedges as less volume is exposed to winter pricing. The table below shows the storage capacity, inventory and percent full over the summer period.

[Redacted text block]

Please see Exhibit B for total cost paid and associated volumes for gas physically hedged through use of Atmos' company owned storage by month for the past five years.

Data Summary of All Hedging Transactions

Details of the hedging transactions are provided in Exhibit C. On Exhibit C, the November 2015 delivery month totals are the actual settlement. December 2015 through March 2016 are mark-to-market amounts based on the NYMEX prices for those months as of November 20, 2015. Actual settlements will vary as the delivery months of December 2015 through March 2016 settle. Exhibit D provides the accounting entries related to hedging activity for Atmos' Kentucky customers for the 2015-16 winter period.

Sources:

EIA Storage Report: <http://ir.eia.gov/ngs/ngs.html>

Exhibit A
Case No. 2012-00440
ATMOS ENERGY CORPORATION
SUMMARY OF HEDGE TRANSACTIONS
WINTER 2015-16

Date	Instrument	Contract Month	Transaction Price	NYMEX Close Price
[Redacted Content]				

Exhibit A
Case No. 2012-00440
ATMOS ENERGY CORPORATION
SUMMARY OF HEDGE TRANSACTIONS
WINTER 2015-16

KY Recoverable Gas Cost

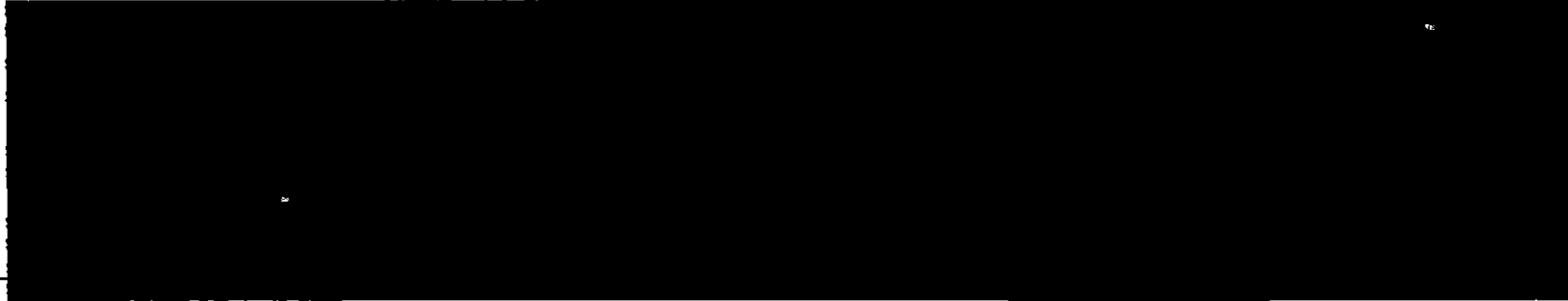
GL Month Production Month	12-Month Total (2008)		12-Month Total (2009)		January-10 December-09		February-10 January-10		March-10 February-10	
	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost
Pipeline Supply ¹										
Other Suppliers										
Hedging Settlements										
Off-System Storage										
System Storage										
Withdrawals										
Injections										
Producers										
Third Party Reimbursements										
System Imbalances ²										
Total Recoverable Gas Cost										

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

April-10 March-10		May-10 April-10		June-10 May-10		July-10 June-10		August-10 July-10		Septem Augu
Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)
[REDACTED]										

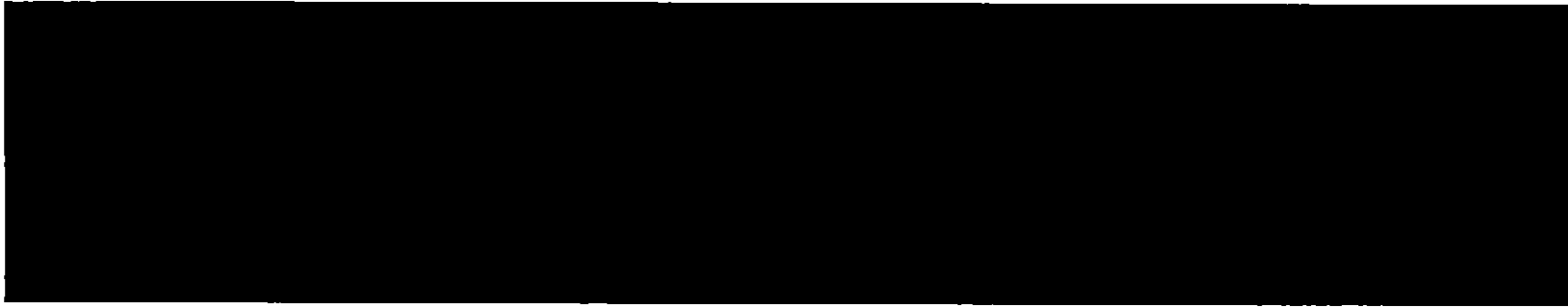
September-10	October-10		November-10		December-10		12-Month Total (2010)		January-11	
Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost



February-11 January-11		March-11 February-11		April-11 March-11		May-11 April-11		June-11 May-11		July-11 June-11	
Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost
[REDACTED]											

August-11		September-11		October-11		November-11		December-11		12-Month
July-11		August-11		September-11		October-11		November-11		Volume (Mcf)
Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)

Total (2011)	January-12 December-11		February-12 January-12		March-12 February-12		April-12 March-12		May-12 April-12	
	Cost	Volume (Mcf)	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost

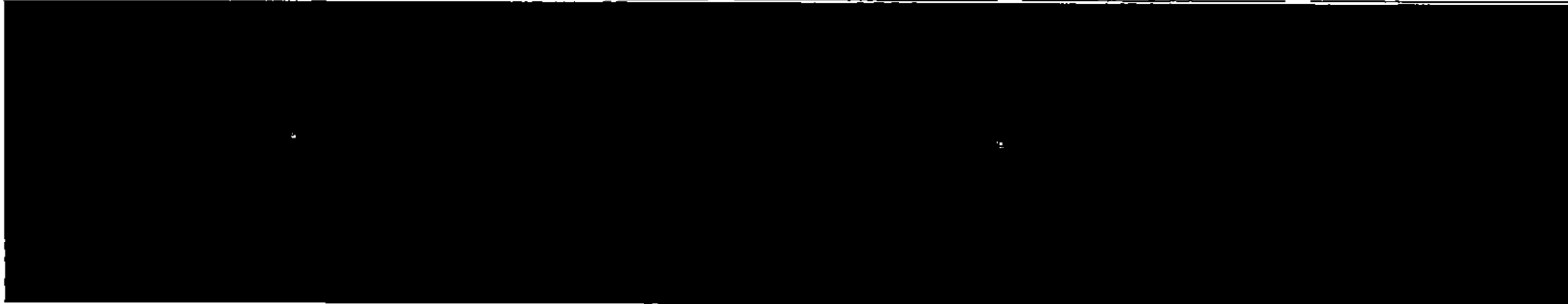


June-12 May-12		July-12 June-12		August-12 July-12		September-12 August-12		October-12 September-12		November-12 October-12	
Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost



December-12 November-12		12-Month Total (2012)		January-13 December-12		February-13 January-13		March-13 February-13		April-13 March-13
Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)

1-13	May-13		June-13		July-13		August-13		September-13	
th-13	April-13		May-13		June-13		July-13		August-13	
Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost



October-13 September-13		November-13 October-13		December-13 November-13		YTD Total (2013)		January-14 December-13		Febru: Janua
Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)



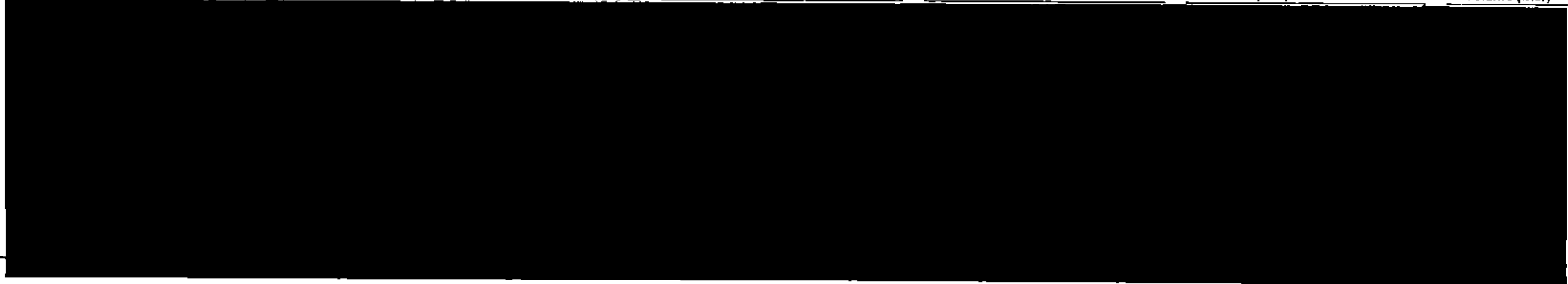
May-14	April-14	March-14	February-14	January-14
Cost	Cost	Cost	Cost	Cost
Volume (Mcf)	Volume (Mcf)	Volume (Mcf)	Volume (Mcf)	Volume (Mcf)
May-14	April-14	March-14	February-14	January-14
Cost	Cost	Cost	Cost	Cost
Volume (Mcf)	Volume (Mcf)	Volume (Mcf)	Volume (Mcf)	Volume (Mcf)
June-14	May-14	April-14	March-14	February-14
Cost	Cost	Cost	Cost	Cost
Volume (Mcf)	Volume (Mcf)	Volume (Mcf)	Volume (Mcf)	Volume (Mcf)

<u>July-14</u> <u>June-14</u>		<u>August-14</u> <u>July-14</u>		<u>September-14</u> <u>August-14</u>		<u>October-14</u> <u>September-14</u>	
<u>Volume (Mcf)</u>	<u>Cost</u>	<u>Volume (Mcf)</u>	<u>Cost</u>	<u>Volume (Mcf)</u>	<u>Cost</u>	<u>Volume (Mcf)</u>	<u>Cost</u>

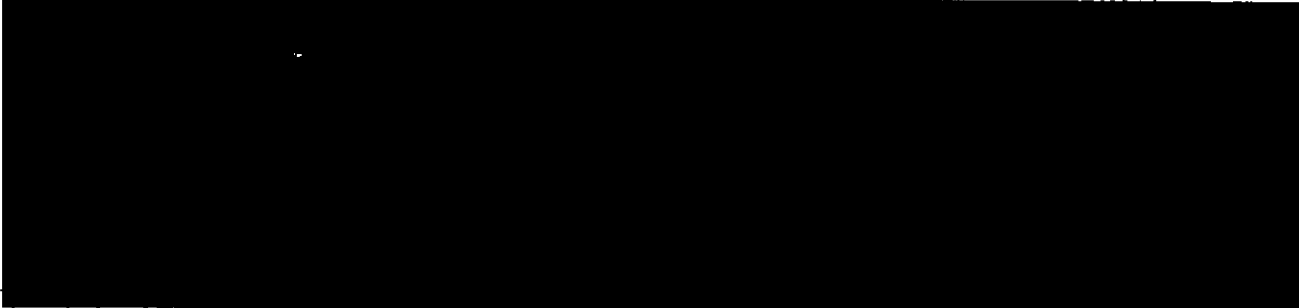


November-14 October-14		December-14 November-14		YTD Total (2014)		January-15 December-14		February-15 January-15		March February
Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)
[REDACTED]										

February-15	April-15		May-15		June-15		July-15		August-15		September-15
Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)



Confidential

September-15	October-15		November-15		December-15		YTD Total (2015)	
Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost	Volume (Mcf)	Cost
								

Atmos Energy Corporation - Hedging Report

Regulatory Contract

Market Price Date: 11/20/2015

Transaction Date: 11/23/2015

Delivery Month is between 11/1/2015 and 3/1/2016 and Transaction Date is less than or equal to 11/23/2015

and State is equal to Kentucky

This report contains all subreports.

Delivery Month: 11/1/2015

Futures/Swaps

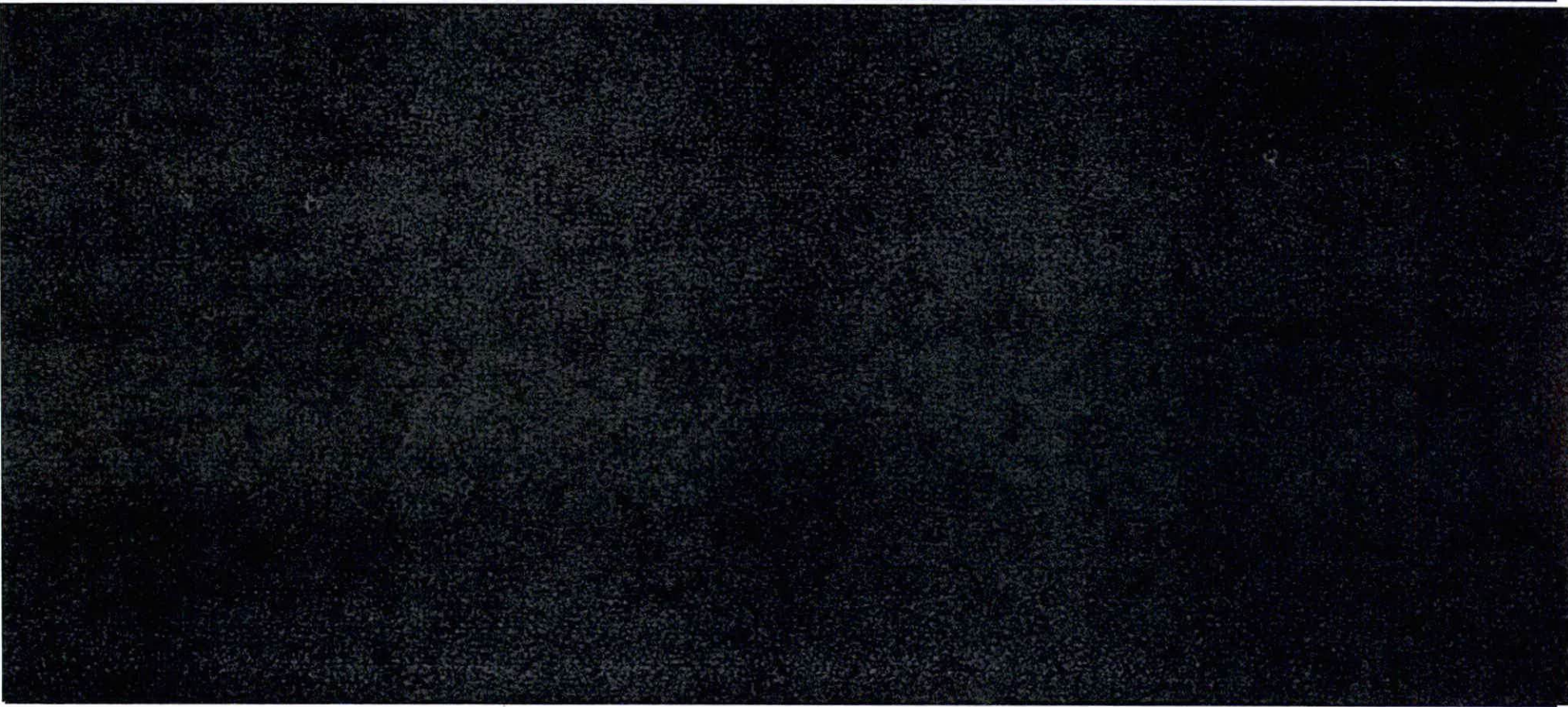
Transaction Date	Counter Party Name	Buy Sell	Delivery Month	Volume	Transaction Price	Transaction Fee	Total Price	Market Price	Market Value	Market Index:	Confirmation Number
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Delivery Month: 12/1/2015

Futures/Swaps

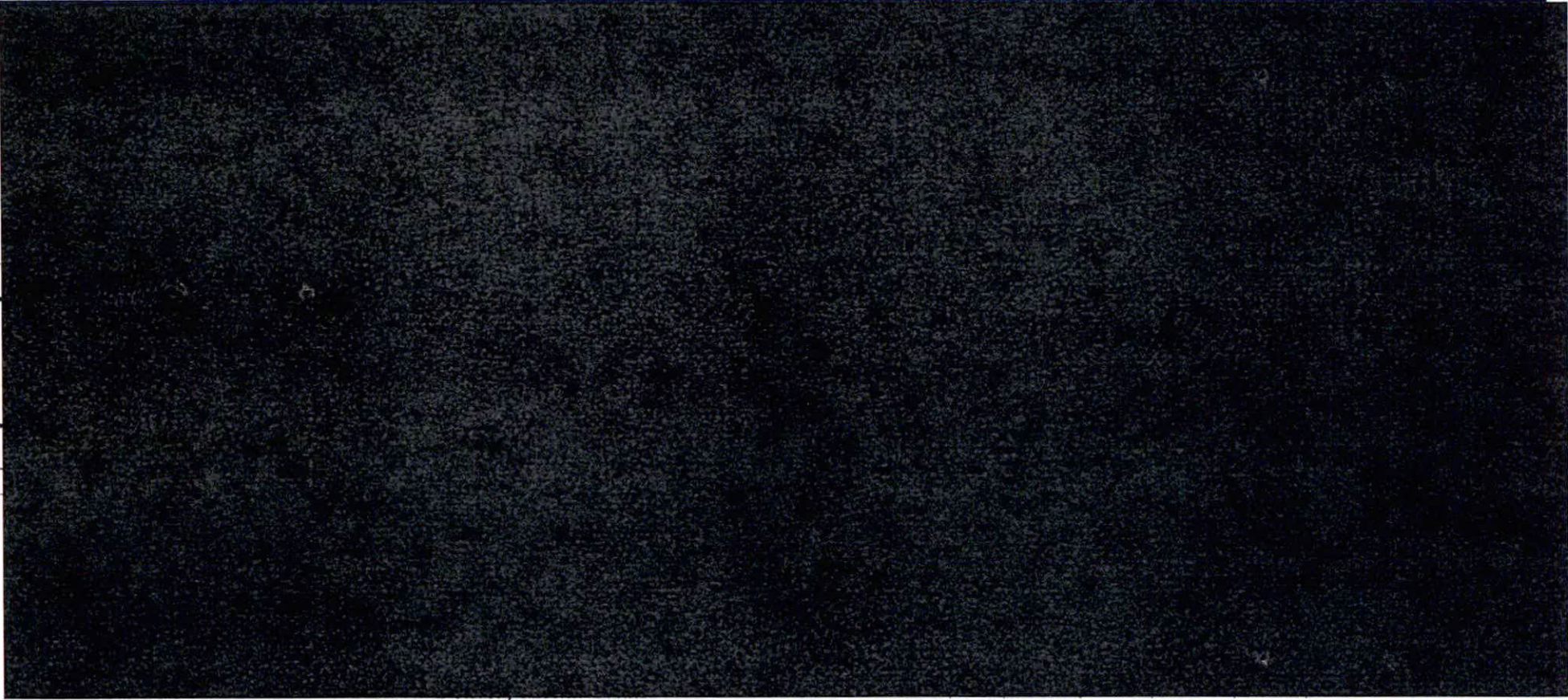
Transaction Date	Counter Party Name	Buy Sell	Delivery Month	Volume	Transaction Price	Transaction Fee	Total Price	Market Price	Market Value	Market Index:	Confirmation Number
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Delivery Month: 1/1/2016

Futures/Swaps

Transaction Date	Counter Party Name	Buy Sell	Delivery Month	Volume	Transaction Price	Transaction Fee	Total Price	Market Price	Market Value	Market Index:	Confirmation Number
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Delivery Month: 2/1/2016

Futures/Swaps

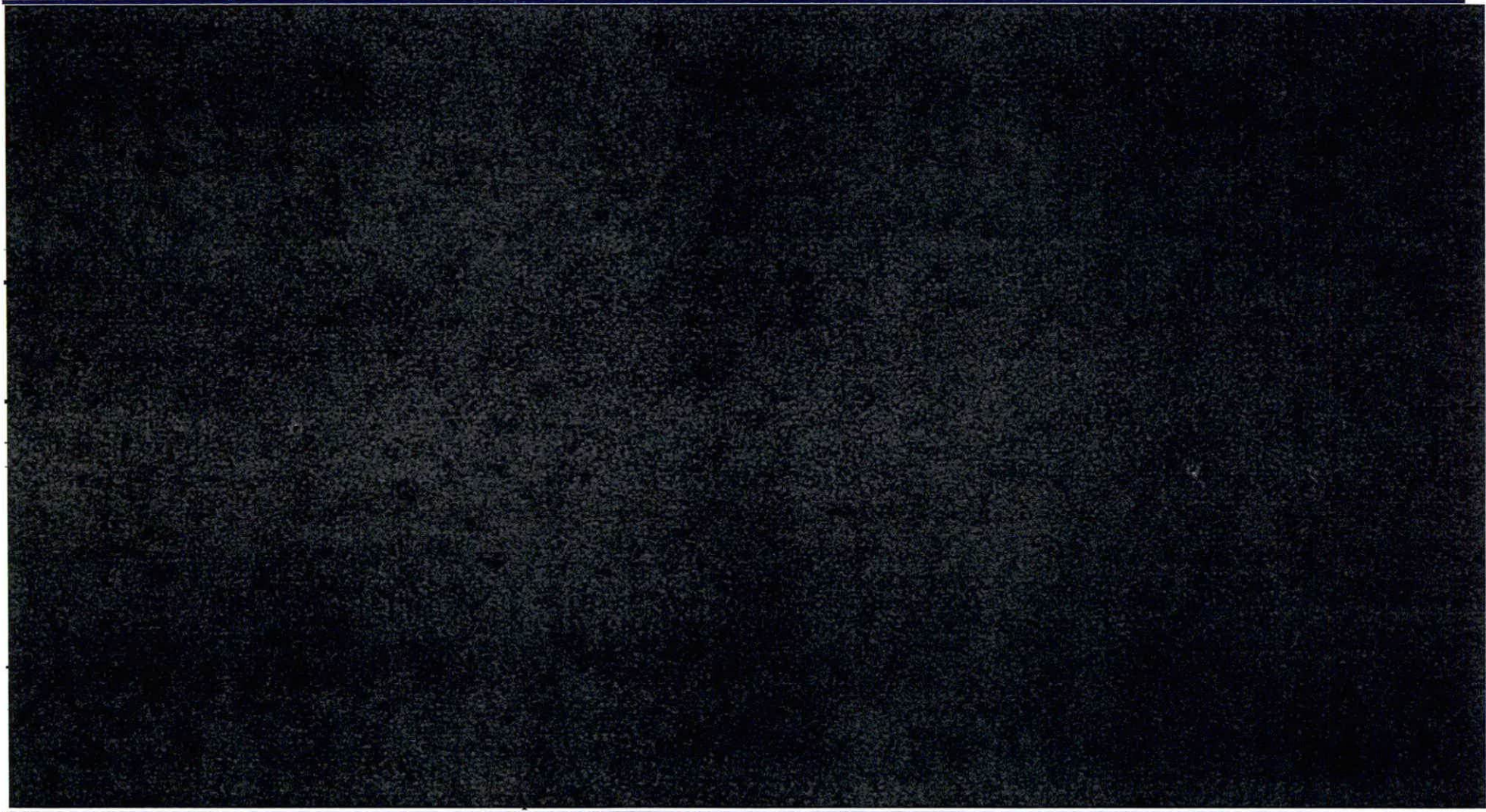
Transaction Date	Counter Party Name	Buy Sell	Delivery Month	Volume	Transaction Price	Transaction Fee	Total Price	Market Price	Market Value	Market Index:	Confirmation Number
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Delivery Month: 3/1/2016

Futures/Swaps

<i>Transaction Date</i>	<i>Counter Party Name</i>	<i>Buy Sell</i>	<i>Delivery Month</i>	<i>Volume</i>	<i>Transaction Price</i>	<i>Transaction Fee</i>	<i>Total Price</i>	<i>Market Price</i>	<i>Market Value</i>	<i>Market Index:</i>	<i>Confirmation Number</i>
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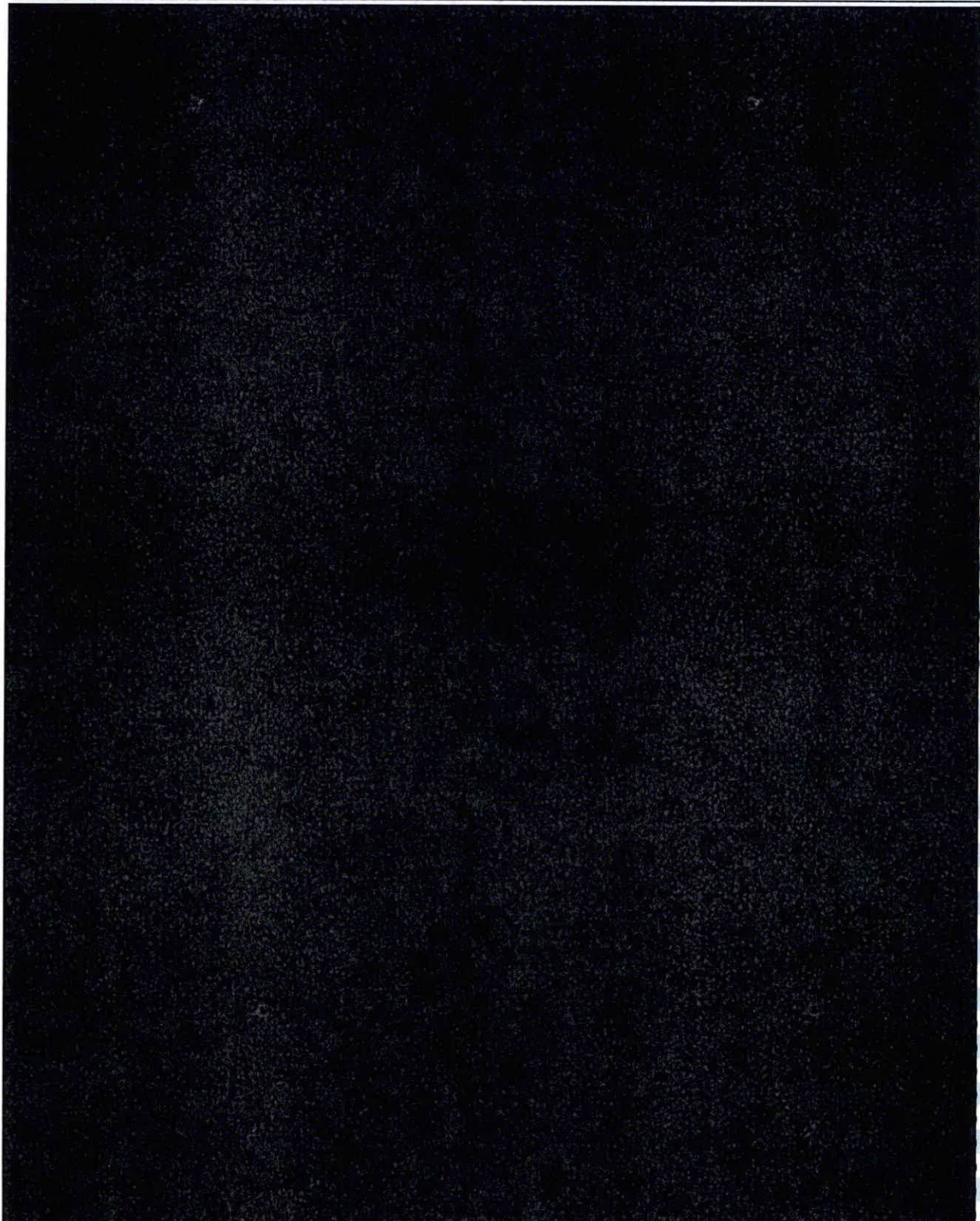
Atmos Energy Corporation

Kentucky Rate Division

Case No. XXXXXXXXXXXXXXXXXXXXXXX

Natural Gas Hedging Journal Entries

Month	Name	Account	Sub Account	Category	Description	Total
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Atmos Energy Corporation

Kentucky Rate Division

Case No. XXXXXXXXXXXXXXXXXXXXXXX

Natural Gas Hedging Journal Entries

Month	Name	Account	Sub Account	Category	Description	Total
[REDACTED]						

Atmos Energy Corporation						
Kentucky Rate Division						
Case No. XXXXXXXXXXXXXXXXXXXXXXX						
Natural Gas Hedging Journal Entries						
Month	Name	Account	Sub Account	Category	Description	Total
[REDACTED]						