

ATMOS ENERGY CORPORATION

(NAME OF UTILITY)

Pipeline Replacement Program Rider

PRP

1. Applicable

Applicable to all customers receiving service under the Company’s Rate Schedules G-1, G-2, T-3 and T-4.

2. Calculation of Pipe Replacement Rider Revenue Requirement

The PRP Revenue Requirement includes the following:

- a) PRP-related Plant In-Service not included in base gas rates minus the associated PRP-related accumulated depreciation and accumulated deferred income taxes;
- b) Retirement and removal of plant related PRP construction;
- c) The rate of return on the net rate base is the overall rate of return on capital authorized in the Company’s latest base gas rate case, grossed up for federal and state income taxes;
- d) Depreciation expense on the PRP related Plant In-Service less retirement and removals;
- e) Reduction for savings in Operating and Maintenance expenses; and,
- f) Adjustment for ad valorem taxes.

3. Pipe Replacement Program Factors

All customers receiving service under tariff Rate Schedules G-1, G-2, T-3 and T-4 shall be assessed an adjustment to their applicable rate schedule that will enable the Company to complete the pipe replacement program. The allocation to G-1 residential, G-1 non-residential, G-2, T-3 and T-4 will be in proportion to their relative base revenue share approved in the Company’s latest base gas rate case. (T)

The PRP Rider will be filed annually on or around August 1st of each year. The filing will reflect the anticipated impact on the Company’s revenue requirements of net plant additions as offset by operations and maintenance expense reductions during the upcoming fiscal year ending each September as well as a balancing adjustment for the preceding fiscal year. Such adjustment to the Rider will become effective with meter readings on and after the first billing cycle of October.

DATE OF ISSUE July 30, 2014
Month/Date/Year

DATE EFFECTIVE October 10, 2014
Month/Date/Year

Issued by Authority of an Order of the Public Service Commission in
Case No. 2014-00274

ISSUED BY /s/ Mark A. Martin
Signature of Officer

TITLE Vice President – Rates and Regulatory Affairs

FOR ENTIRE SERVICE AREA

**PSC KY. No. 2
First Revised SHEET No. 39
Cancelling
Original SHEET No. 39**

ATMOS ENERGY CORPORATION
(NAME OF UTILITY)

Pipeline Replacement Program Rider

4. Pipe Replacement Rider Rates

The charges for the respective gas service schedules for the revenue month beginning October 1, 2014 per billing period are: (T)

	<u>Monthly Customer Charge</u>		<u>Distribution Charge per Mcf</u>	
Rate G-1 (Residential)	\$1.43		\$0.00	(I)
Rate G-1 (Non-Residential)	\$4.47		\$0.00	(I)
Rate G-2	\$27.75	1-15000	\$0.0448 per 1000 cubic feet	(I,I)
		Over 15000	\$0.0300 per 1000 cubic feet	(I)
Rate T-3	\$22.92	1-15000	\$0.0465 per 1000 cubic feet	(I,I)
		Over 15000	\$0.0312 per 1000 cubic feet	(I)
Rate T-4	\$21.83	1-300	\$0.0739 per 1000 cubic feet	(I,I)
		301-15000	\$0.0493 per 1000 cubic feet	(I)
		Over 15000	\$0.0347 per 1000 cubic feet	(I)

DATE OF ISSUE July 30, 2014
Month/Date/Year

DATE EFFECTIVE October 10, 2014
Month/Date/Year

Issued by Authority of an Order of the Public Service Commission in
Case No. 2014-00274

ISSUED BY /s/ Mark A. Martin
Signature of Officer

TITLE Vice President – Rates and Regulatory Affairs