ATMOS ENERGY CORPORATION

PBR

Experimental Performance Based Rate Mechanism (Continued)

"i" represents each supply area.

PEFDCQBL are the Base Load Purchases in Excess of Firm Daily Contract Quantities delivered to WKG's city gate. Firm Daily Contract Quantities are the maximum daily contract quantities which Company can deliver to its city gate under its various firm transportation agreements and arrangements.

SAIBL is the Supply Area Index factor for Base Load to be established for each supply area in which Company has firm transportation entitlements used to transport its natural gas purchases and for which price postings are available. The five supply areas are TGT-SL (Texas Gas Transmission-Zone SL), TGT-1 (Texas Gas Transmission-Zone 1), TGPL-0 (Tennessee Gas Pipeline-Zone 0), and TGPL-1 (Tennessee Gas Pipeline-Zone 1), and TGC-ELA (Trunkline Gas Company-ELA).

The monthly SAIBL for TGT-SL, TGT-1, TGPL-0, TGPL-1, and TGC-ELA shall be calculated using the following formula:

$$SAIBL = [I(1) + I(2)] / 2$$ (T)

Where:

"I" represents each index reflective of both supply area prices and price changes throughout the month in these various supply areas.

The indices for each supply zone are as follows:

SAIBL (TGT-SL)

I (1) is the Inside FERC – Gas Market Report first-of-the-month posting for Texas Gas Zone SL. (T)
I (2) is the New York Mercantile Exchange Settled Closing Price.

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ISSUED: August 27, 2010 **EFFECTIVE:** November 1, 2010

(Issued by Authority of an Order of the Public Service Commission in Case No. 2010-00353 dated December 7, 2010).

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Experimental Performance Based Rate Mechanism (Continued)

SAIBL (TGT-1)

I (1) is the Inside FERC – Gas Market Report first-of-the-month posting for Texas Gas Zone 1.
I (2) is the New York Mercantile Exchange Settled Closing Price. (T)

SAIBL (TGPL-0)

I (1) is the Inside FERC – Gas Market Report first-of-the-month posting for Tennessee Zone 0. (T)
I (2) is the New York Mercantile Exchange Settled Closing Price.

SAIBL (TGPL-1)

I (1) is the Inside FERC – Gas Market Report first-of-the-month posting for Tennessee Zone 1. (T)
I (2) is the New York Mercantile Exchange Settled Closing Price.

SAIBL (TGC-ELA)

I (1) is the Inside FERC – Gas Market Report first-of-the-month posting for Trunkline Lousiana. (T)
I (2) is the New York Mercantile Exchange Settled Closing Price.

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Experimental Performance Based Rate Mechanism (Continued)

DAIBL is the Delivery Area Index factor for Base Load to be established for purchases made by Company when Company has fully utilized its pipeline quantity entitlements on a daily basis and which are for delivery to Company's city gate from Texas Gas Transmission's Zone 2, 3 or 4, Tennessee Gas Pipeline's Zone 2, or Trunkline Gas Company's Zone 1B.

The monthly DAIBL for TGT-2, 3, 4, TGPL-2, and TGC-1B shall be calculated using the following:

$$DAIBL = [I(1) + I(2)] / 2$$ (T)

DAIBL (TGT-2, 3, & 4), (TGPL-2) and (TGC-1B)

I (1) is the average of the daily high and low New York Mercantile Exchange (NYMEX) posting for the Daily Price Survey for Dominion – South Point-Appalachia (T)
I (2) is the Inside FERC – Gas Market Report first-of-the month posting for Prices of Spot Gas delivered to Pipeline for Dominioin Transmission Inc. - Appalachia

TAAGCCBL represents Company's Total Annual Actual Gas Commodity Costs for Base Load deliveries of natural gas purchased for system supply and is equal to the total monthly actual gas commodity costs.

To the extent that TAAGCCBL exceeds TABGCCBL for the PBR period, then the GAIFBL Shared Expenses shall be computed as follows:

GAIFBL Shared Expenses = TAAGCCBL - TABGCCBL

To the extent that TAAGCCBL is less than TABGCCBL for the PBR period, then the GAIFBL Shared Savings shall be computed as follows:

GAIFBL Shared Savings = TABGCCBL - TAAGCCBL

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