P.S.C. KY No. 1

ATMOS ENERGY CORPORATION

Of

2401 NEW HARTFORD ROAD, OWENSBORO, KENTUCKY 42303

Rates, Rules and Regulations for Furnishing

NATURAL GAS

for the

Entire Service Area of the Company

Filed with the PUBLIC SERVICE COMMISSION OF KENTUCKY

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

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PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
BY October 1, 2002
EXECUTIVE DIRECTOR

ISSUED: August 9, 2002

EFFECTIVE:

ISSUED BY: Atmos Energy Corporation

BY: William J. Senter
Vice-President
Rates & Regulatory Affairs
Kentucky Division

ATMOS ENERGY CORPORATION

Rate Book Index

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ATMOS ENERGY CORPORATION

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ATMOS ENERGY CORPORATION

Towns and Communities in Service Area

The Service Area of the Company includes the following towns and their environs:

Adairville	Dennis	Hartford	Munfordsville	Sebree
Aetnaville	Depoy	Hawesville	Niagara	Sedalia
Alton	Dermont	Heath	Nortonville	Shelby City
Anthoston	Dixon	Hendron	Oak Ridge	Shelbyville
Anton	Earlington	Herbert	Oakdale	Slaughters
Auburn	Eddyville	Hickory	Oakland	Smiths Grove
Baskett	Elkton	Hill-n-dale	Oklahoma	Sorgho
Beadlestown	Ellmitch	Hiseville	Owensboro	So. Henderson
Beaver Dam	Empire	Hopkinsville	Paducah	So. Highland
Beda	Epley	Horse Cave	Park City	So. Union
Beulah	Epperson	Hustonville	Perryville	Spottsville
Boston	Evergreen	Junction City	Philpot	Springfield
Bowling Green	Farmdale	Knottsville	Pleasant Hill	St. Charles
Bremen	Fearsville	Lake City	Pleasant Ridge	St. Joseph
Briartown	Feliciana	Lancaster	Plum Springs	Stanford
Browns Valley	Finley	Lawrenceburg	Poole	Stanley
Buck Creek	Fordsville	Lebanan	Powderly	Stringtown
Buford	Franklin	Livia	Princeton	Summersville
Burgin	Fredonia	Logantown	Pritchardsville	Sutherland
Cadiz	Fruit Hill	Lone Oak	Pryorsburg	Symsonia
Calhoun	Gilbertsville	Luzerne	Reidland	Thurston
Calvert City	Gishton	Maceo	Reidville	Utica
Calvary	Glasgow	Madisonville	Reynolds Sta.	Waddy
Campbellsville	Glenville	Mannington	Robards	Water Valley
Carbondale	Grahamville	Marion	Rocky Hill	West Louisville
Cave City	Grand Rivers	Masonville	Rome	Whitesville
Central City	Greensberg	Mayfield	Rowletts	Wingo
Charleston	Greenville	McGowan	Rumsey	Woodburn
Cloverport	Habit	Memphis Junc.	Russellville	Woodlawn
Crayne	Hanson	Midland	Sacramento	Woodsonville
Crofton	Hardeman	Milledgeville	Salmons	Yelkington
Danville	Hardinsburg	Moreland	Saloma	Zion
Dawson Springs	Harned	Mortons Gap	Schochoh	
Deanfield	Harrodsburg	Mosleyville		

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ATMOS ENERGY CORPORATION

Current Rate Summary

Case No. 2005-00000

Firm Service

Base Charge:

Residential	-	$7.50	per meter per month
Non-Residential	-	20.00	per meter per month
Carriage (T-4)	-	220.00	per delivery point per month
Transportation Administration Fee	-	50.00	per customer per meter

Rate per Mcf[2]			Sales (G-1)		Transport (T-2)		Carriage (T-4)		
First	300 [1]	Mcf	@ 12.6233	per Mcf	@ 2.2618	per Mcf	@ 1.1900	per Mcf	(I, N, N)
Next	14,700 [1]	Mcf	@ 12.0923	per Mcf	@ 1.7308	per Mcf	@ 0.6590	per Mcf	(I, N, N)
Over	15,000	Mcf	@ 11.8633	per Mcf	@ 1.5018	per Mcf	@ 0.4300	per Mcf	(I, N, N)

High Load Factor Firm Service

HLF demand charge/Mcf	@ 4.6207	@ 4.6207	per Mcf of daily Contract Demand	(N)

Rate per Mcf[2]							
First	300 [1]	Mcf	@ 11.7379	per Mcf	@ 1.3764	per Mcf	(I, N)
Next	14,700 [1]	Mcf	@ 11.2069	per Mcf	@ 0.8454	per Mcf	(I, N)
Over	15,000	Mcf	@ 10.9779	per Mcf	@ 0.6164	per Mcf	(I, N)

Interruptible Service

Base Charge	-	$220.00	per delivery point per month
Transportation Administration Fee	-	50.00	per customer per meter

Rate per Mcf[2]			Sales (G-2)		Transport (T-2)		Carriage (T-3)		
First	15,000 [1]	Mcf	@ 11.0779	per Mcf	@ 0.7164	per Mcf	@ 0.5300	per Mcf	(I, N, N)
Over	15,000	Mcf	@ 10.9070	per Mcf	@ 0.5455	per Mcf	@ 0.3591	per Mcf	(I, N, N)

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

[2] DSM, GRI and MLR Riders may also apply, where applicable.

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ATMOS ENERGY CORPORATION

Current Gas Cost Adjustments

Case No. 2005-00000

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

Gas Cost Adjustment Components	G - 1	HLF G - 1	G-2	
EGC (Expected Gas Cost Component)	11.3357	10.4503	10.4503	(I, I, I)
CF (Correction Factor)	0.0576	0.0576	0.0576	(N, N, N)
RF (Refund Adjustment)	(0.0048)	(0.0048)	(0.0048)	(N, N, N)
PBRRF (Performance Based Rate Recovery Factor)	0.0448	0.0448	0.0448	(N, N, N)
GCA (Gas Cost Adjustment)	$11.4333	$10.5479	$10.5479	(I I I)

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ATMOS ENERGY CORPORATION

Current Transportation and Carriage

Case No. 2005-00000

Case No. 2004-00398

The General Transportation Rate T-2 and Carriage Service (Rates T-3 and T-4) for each respective service net monthly rate is as follows:

System Lost and Unaccounted gas percentage: 1.38%

					Simple Margin		Non-Commodity		Gross Margin		
Transportation Service (T-2)1											
a)	Firm Service										
	First	300 [2]	Mcf	@	$1.1900	+	$1.0718	=	$2.2618	per Mcf	(N)
	Next	14,700 [2]	Mcf	@	0.6590	+	1.0718	=	1.7308	per Mcf	(N)
	All over	15,000	Mcf	@	0.4300	+	1.0718	=	1.5018	per Mcf	(N)
b)	High Load Factor Firm Service (HLF)										
	Demand			@	$0.0000	+	4.6207	=	$4.6207	per Mcf of daily contract demand	(N)
	First	300 [2]	Mcf	@	$1.1900	+	$0.1864	=	$1.3764	per Mcf	(N)
	Next	14,700 [2]	Mcf	@	0.6590	+	0.1864	=	0.8454	per Mcf	(N)
	All over	15,000	Mcf	@	0.4300	+	0.1864	=	0.6164	per Mcf	(N)
c)	Interruptible Service										
	First	15,000 [2]	Mcf	@	$0.5300	+	$0.1864	=	$0.7164	per Mcf	(N)
	All over	15,000	Mcf	@	0.3591	+	0.1864	=	0.5455	per Mcf	(N)
Carriage Service 3											
	Firm Service (T-4)										
	First	300 [2]	Mcf	@	$1.1900	+	$0.0000	=	$1.1900	per Mcf	(N)
	Next	14,700 [2]	Mcf	@	0.6590	+	0.0000	=	0.6590	per Mcf	(N)
	All over	15,000 [2]	Mcf	@	0.4300	+	0.0000	=	0.4300	per Mcf	(N)
	Interruptible Service (T-3)										
	First	15,000 [2]	Mcf	@	$0.5300	+	$0.0000	=	$0.5300	per Mcf	(N)
	All over	15,000	Mcf	@	0.3591	+	0.0000	=	0.3591	per Mcf	(N)

[1] Includes standby sales service under corresponding sales rates. GRI Rider may also apply.

[2] All gas consumed by the customer (Sales and transportation; firm, high load factor, interruptible, and carriage) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

[3] Excludes standby sales service.

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ISSUED BY: **Gary L. Smith** **Vice President - Marketing & Regulatory Affai**

ATMOS ENERGY CORPORATION

General Firm Sales Service
Rate G-1

1. **Applicable**

Entire Service Area of the Company.
(See list of towns – Sheet No. 3)

2. **Availability of Service**

Available for any use for individually metered service, other than auxiliary or standby service (except for hospitals or other uses of natural gas in facilities requiring emergency power, however, the rated input to such emergency power generators is not to exceed the rated input of all other gas burning equipment otherwise connected multiplied by a factor equal to 0.15) at locations where suitable service is available from the existing distribution system and an adequate supply of gas to reader service is assured by the supplier(s) of natural gas to the Company.

3. **Net Monthly Rate**

a) Base Charge
$ 7.50 per meter for residential service
$20.00 per meter for non-residential service

b) Distribution Charge

First[1]	300 Mcf	@	$1.1900 per 1,000 cubic feet
Next[1]	14,700 Mcf	@	0.6590 per 1,000 cubic feet
Over	15,000 Mcf	@	0.4300 per 1,000 cubic feet

c) Weather Normalization Adjustment, referenced on Sheet No. 22.

d) Gas Cost Adjustment (GCA) Rider, referenced on Sheet No. 23.

e) Margin Loss Recovery Rider, referenced on Sheet No. 38.

f) Demand Side Management Cost Recovery Mechanism, referenced on Sheet No. 39.

g) Gas Research Institute R&D Rider, referenced on Sheet No. 42.

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[1] All gas consumed by the customer (Sales, Transportation, and Carriage; firm, high, load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

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ATMOS ENERGY CORPORATION

General Firm Sales Service
Rate G-1

4. Net Monthly Bill

The Net Monthly Bill shall be equal to the sum of the Base Charge, Distribution Charge, the Gas Cost Adjustment (GCA) Rider, and other riders applicable by class of service.

5. Minimum Monthly Bill

The Base Charge plus any High Load Factor (HLF) demand charge, if applicable.

6. Service Period

Open order. However, the Company may require a special written contract for large use or abnormal service requirements. This contract shall include provisions for load limitations and for curtailment or interruptions as necessary, at the discretion of the Company, to prevent the load adversely affecting firm service customers in the area.

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BY [signature]
EXECUTIVE DIRECTOR

ATMOS ENERGY CORPORATION

General Firm Sales Service
Rate G-1

7. Late Payment Charge

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for services rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

8. Rules and Regulations

Service furnished under this schedule is subject to the Company's Rules and Regulations and to applicable rate and rider schedules.

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ATMOS ENERGY CORPORATION

Interruptible Sales Service
Rate G-2

1. **Applicable**

Entire Service Area of the Company.
(See list of towns – Sheet No. 3)

2. **Availability of Service**

a) Available on an individually metered service basis to commercial and industrial customers for any use as approved by the Company on a strictly interruptible basis, subject to suitable service being available from the existing transmission and/or distribution facilities and when an adequate supply of gas is available to the Company under its purchase contracts with its pipeline supplier.

b) The supply of gas provided for herein shall be sold primarily on an interruptible basis, however, in certain cases and under certain conditions the contract may include High Priority service to be billed under "General Sales Service Rate G-1" limited to use and volume which, in the Company's judgement, requires and justifies such combination service.

c) The contract for service under this rate schedule shall include interruptible service or a combination of High Priority service and Interruptible service, however, the Company reserves the right to limit the volume of High Priority service available to any one customer.

3. **Delivery Volumes**

a) The volume of gas to be sold and purchases under this rate schedule shall be set forth in a written contract, specifying a maximum daily interruptible sales service volume and shall be subject to revision in accordance with the Company's approved curtailment plan.

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ATMOS ENERGY CORPORATION

Interruptible Sales Service
Rate G-2

b) High Priority Service
The volume for High Priority service shall be established on a High Priority Daily Contract Demand basis which shall be the maximum quantity the Company is obligated to deliver and which the customer may receive in any one day, subject to other provisions of this rate schedule and the related contract.

c) Interruptible Service
The volume for Interruptible service shall be established on an Interruptible Daily Contract Demand basis which shall be the maximum quantity the Company is obligated to deliver and which the customer may receive subject to other provisions of this rate schedule and the related contract.

d) Revision of Delivery Volumes
The Daily Contract Demand for High Priority service and the Daily Contract Demand for Interruptible service shall be subject to revision as necessary so as to coincide with the customer's normal operating conditions and actual load with consideration given to any anticipated changes in customer's utilization, subject to the Company's contractual obligations with other customers or its suppliers, and subject to system capacity and availability of the gas if an increased volume is involved.

4. Net Monthly Rate

a) Base Charge: $220.00 per delivery point per month
Minimum Charge: The Base Charge plus any Transportation Fee and EFM facilities charge

b) Distribution Charge:

High Priority Service
The volume of gas used each day up to, but not exceeding the effective High Priority Daily Contract Demand shall be totaled for the month and billed at the "General Firm Sales Service Rate G-1".

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ATMOS ENERGY CORPORATION

Interruptible Sales Service
Rate G-2

Interruptible Service

Gas used per month in excess of the High Priority Service shall be billed as follows:

First 15,000 Mcf	$0.5300 per 1,000 cubic feet
Over 15,000 Mcf	0.3591 per 1,000 cubic feet

c) Gas Cost Adjustment (GCA) Rider, referenced on Sheet No. 23.

d) Margin Loss Recovery Rider, referenced on Sheet No. 38.

e) Gas Research Institute R&D Rider, referenced on Sheet No. 42.

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[1] All gas consumed by the customer (Sales, Transportation, and Cartage, Firm, high, load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

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ATMOS ENERGY CORPORATION

Interruptible Sales Service
Rate G-2

5. Standby or Auxiliary Equipment and Fuel

It shall be the responsibility of the customer to provide and maintain such stand-by, auxiliary equipment and fuel, as the customer may, in its discretion, require to protect its fuel requirements and best interest and to assure continuous operation during any period of interruption of gas deliveries.

6. Alternative Fuel Responsive Flex Provision

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the otherwise applicable rate on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by the customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.

Pursuant to this Section, the Company may flex the otherwise applicable transportation rate to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

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ATMOS ENERGY CORPORATION

Interruptible Sales Service
Rate G-2

7. Curtailment

All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailment Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission and for any causes due to force majeure (which includes acts of God, strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.

8. Penalty for Unauthorized Overruns

a) In the event a customer fails in part or in whole to comply with a Company Curtailment Order either as to time or volume of gas used or uses a greater quantity of gas than its allowed volume under terms of the Curtailment Order, the Company may, at its sole discretion, apply a penalty rate of up to $15.00 per Mcf.

b) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty(s) assessed by the interstate pipeline(s) or suppliers resulting from the customer's failure to comply with terms of a Company Curtailment Order.

c) The payment of penalty charges shall not be considered as giving any customer the right to take unauthorized volumes of gas nor shall such penalty charges be considered as a substitute for any other remedy available to the Company.

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ATMOS ENERGY CORPORATION

Interruptible Sales Service
Rate G-2

9. Special Provisions

a) A written contract with a minimum term of one year shall be required.

b) The Rules and Regulations and Orders of the Public Service Commission and of the Company and the Company's general terms and conditions applicable to industrial and commercial sales, shall apply to this rate schedule and all contracts thereunder.

c) No gas delivered under this rate schedule and applicable contract shall be available for resale.

10. Late Payment Charge

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

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ATMOS ENERGY CORPORATION

Large Volume Sales
Rates LVS-1 (High Priority), LVS-2 (Low Priority)

1. Applicable

Entire Service Area of the Company.
(See list of towns – Sheet No. 3)

2. Availability of Service

Available to any customer (with an expected demand of at least 36,500 Mcf per year) where usage is individually metered at locations where suitable service is available from the existing distribution system and an adequate supply of gas to render service is assured by the supplier(s) of natural gas to the Company. Except as provided in the service agreement, LVS service is not available in conjunction with any other tariffed gas service.

3. Net Monthly Rate

a) Base Charge:

LVS-1 Service	$ 20.00 per Meter
LVS-2 Service	220.00 per Meter
Combined Service	220.00 per Meter

b) Distribution Charge for LVS-1 Service

First[1]	300 Mcf	@	$1.1900 per Mcf
Next[1]	14,700 Mcf	@	0.6590 per Mcf
Over	15,000 Mcf	@	0.4300 per Mcf

c) Distribution Charge for LVS-2 Service

First[1]	15,000 Mcf	@	$0.5300 per Mcf
Over	15,000 Mcf	@	0.3591 per Mcf

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[1] All gas consumed by the customer (Sales, Transportation, [illegible], high, load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

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ATMOS ENERGY CORPORATION

Large Volume Sales
Rates LVS-1 (High Priority), LVS-2 (Low Priority)

d) The Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.

e) The Weighted Average Commodity Gas Cost is based on current purchase costs including all related variable delivery costs for the billing period for which the gas was delivered.

f) The True-Up Adjustment shall be customer account specific and shall include all prior period adjustments known at time of billing.

g) Notice of the Weighted Average Commodity Gas Cost and True-Up Adjustment will be filed with the Commission prior to billing.

h) Margin Loss Recovery Rider, referenced on Sheet No. 38.

4. Net Monthly Bill

The Net Monthly Bill shall be equal to the sum of the Base Charge, the High Load Factor demand charge, the Distribution Charge, the Non-Commodity Component, the Weighted Average Commodity Gas Cost and the True-Up Adjustment.

5. Minimum Monthly Bill

The Base Charge and High Load Factor demand charge, if applicable.

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ATMOS ENERGY CORPORATION
Large Volume Sales
For the Period August, 2005

The net monthly rates for Large Volume Sales service is as follows:

Base Charge:

LVS-1 Service	$ 20.00	per Meter
LVS-2 Service	220.00	per Meter
Combined Service	220.00	per Meter

LVS-1:

Firm Service			Simple Margin		Non-Commodity Component [2]		Estimated Weighted Average Commodity Gas Cost		Sales Rate	
First	300 [1]	Mcf @	$ 1.1900	+	$ 1.0718	+	$ 7.5510	=	$ 9.8128	per Mcf
Next	14,700 [1]	Mcf @	0.6590	+	1.0718	+	7.5510	=	9.2818	per Mcf
All over	15,000	Mcf @	0.4300	+	1.0718	+	7.5510	=	9.0528	per Mcf

High Load Factor Firm Service											
Demand				@	$ 4.6207	+	$0.0000	=	$ 4.6207	per Mcf of daily contract demand
First	300 [1]	Mcf @	$ 1.1900	+	$ 0.1864	+	$ 7.5510	=	$ 8.9274	per Mcf
Next	14,700 [1]	Mcf @	0.6590	+	0.1864	+	7.5510	=	8.3964	per Mcf
All over	15,000	Mcf @	0.4300	+	0.1864	+	7.5510	=	8.1674	per Mcf

LVS-2:

Interruptible Service										
First	15,000	Mcf @	$ 0.5300	+	$ 0.1864	+	$ 7.5510	=	$ 8.2674	per Mcf
All over	15,000	Mcf @	0.3591	+	0.1864	+	7.5510	=	8.0965	per Mcf

True-up Adjustment for 7/05 billing period: $ 0.6884 per Mcf

[1] All gas consumed by the customer will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

[2] The Non-Commodity Component is from P.S.C. No. 20 ~~Thirteenth Revised Sheet No. 6~~, effective August 1, 2005.

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ATMOS ENERGY CORPORATION

Large Volume Sales
Rates LVS-1 (High Priority), LVS-2 (Low Priority)

6. Standby or Auxiliary Equipment and Fuel

It shall be the responsibility of the customer to provide and maintain such stand-by, auxiliary equipment and fuel, as the customer may, in its discretion, require to protect its fuel requirements and best interest and to assure continuous operation during any period of interruption of gas deliveries.

7. Alternative Fuel Responsive Flex Provision (LVS-2 Service Only)

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the otherwise applicable distribution charge on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.

Pursuant to this Section, the Company may flex the applicable Distribution Charge to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component and weighted average commodity gas cost of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

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ATMOS ENERGY CORPORATION

Large Volume Sales
Rates LVS-1 (High Priority), LVS-2 (Low Priority)

8. Curtailment

All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailment Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission and for any causes due to force majeure (which includes acts of God, strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.

9. Penalty for Unauthorized Overruns

a) In the event a customer fails in part or in whole to comply with a Company Curtailment Order either as to time or volume of gas used or uses a greater quantity of gas than its allowed volume under terms of the Curtailment Order, the Company may, at its sole discretion, apply a penalty rate of up to $15.00 per Mcf.

b) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty(s) assessed by the interstate pipeline(s) or suppliers resulting from the customer's failure to comply with terms of a Company Curtailment Order.

c) The payment of penalty charges shall not be considered as giving any customer the right to take unauthorized volumes of gas nor shall such penalty charges be considered as a substitute for any other remedy available to the Company.

10. Service Agreement

The Company will require a written contract for a minimum term of twelve months. This contract shall include provisions for load limitations and for curtailment or interruptions as necessary, at the discretion of the Company, to prevent the load adversely affecting service of equal or higher priority customers in the area.

A customer with an unexpired contract for other services may subscribe to LVS service by contract amendment provided the contract, as amended, has a remaining term of at least twelve months.

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ATMOS ENERGY CORPORATION

Large Volume Sales
Rates LVS-1 (High Priority), LVS-2 (Low Priority)

The volume of gas to be sold and purchased under this rate schedule and the related contract shall be established on a daily, monthly and seasonal basis. The priority of contract volumes shall be subject to revision in accordance with the Company's approved curtailment plan.

The contract volumes (or service mix) shall be subject to revision by the Company as appropriate so as to coincide with the customer's normal operating conditions and actual load with consideration give to any reasonably anticipated changes in customer's utilization, subject to the Company's contractual obligations with other customers or its suppliers, and subject to system capacity and availability of the gas if an increased volume is involved.

11. Late Payment Charge

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

12. Exit Fee

When service under this schedule is discontinued, the customer is responsible for (or entitled to) an exit fee (or refund) equal to the lagging true-up adjustments related to the customer's service period.

13. Rules and Regulations

Service furnished under this schedule and applicable contracts are subject to the Company's Rules and Regulations and to applicable rate and rider schedules.

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ATMOS ENERGY CORPORATION

Weather Normalization Adjustment Rider

WNA

1. Applicable

Applicable to Rate G-1 Sales Service, excluding industrial class only.

The distribution charge per Mcf for gas service as set forth in G-1 Sales Service shall be adjusted by an amount hereinunder described as the Weather Normalization Adjustment (WNA). The WNA shall be applicable to Rate G-1 Sales Service, excluding Industrial Sales Service.

For a five year period commencing on November 1, 2000, the WNA shall apply to all residential, commercial and public authority bills based on meters read during the months of November through April. The WNA shall increase or decrease accordingly by month. The WNA will not be billed to reflect meters read during the months of May through October. Customer base loads and heating sensitivity factors will be determined by class and computed annually.

2. Computation of Weather Normalization Adjustment

The WNA shall be computed using the following formula:

$$WNA_i = R_i \frac{(HSF_i \quad (NDD - ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where:

i	=	any rate schedule or billing classification within a rate schedule that contains more than one billing classification
WNA_i	=	Weather Normalization Adjustment Factor for the ith rate schedule or classification expressed as a rate per Mcf
R_i	=	weighted average rate (distribution charge) of temperature sensitive sales for the ith schedule or classification
HSF_i	=	heat sensitive factor for the ith schedule or classification
NDD	=	normal billing cycle heating degree days
ADD	=	actual billing cycle heating degree days
BL_i	=	base load for the ith schedule or classification

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ATMOS ENERGY CORPORATION

Gas Cost Adjustment
Rider GCA

1. **Applicable**

Gas Tariffs in effect for the entire Service Area of the Company as designated in the particular tariff.

2. **Gas Cost Adjustment (GCA)**

The Company shall file a Quarterly Report with the Commission which shall contain an updated Gas Cost Adjustment (GCA) at least thirty (30) days prior to the beginning of each quarter. The quarterly GCA shall become effective in the months of February, May, August, and November. The GCA shall become effective for meter readings on and after the first day of the quarter. The Company may make out of time filings when warranted.

3. **Determination of GCA**

The amount computed under each of the rate schedules to which this GCA is applicable shall be increased or decreased at a rate per Mcf calculated for each billing quarter in accordance with the following formula as applicable to each rate class:

GCA = EGC + CF + RF

Where:

EGC – is the weighted average Expected Gas Cost per Mcf of gas supply which is reasonably expected to be experienced during the quarter the GCA will be applied for billings.

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ATMOS ENERGY CORPORATION

Gas Cost Adjustment
Rider GCA

EGC is composed of the following:

1) Expected commodity costs of all current purchases at reasonably expected prices, including all related variable delivery costs and FERC authorized charges (i.e., take-or-pay, transition costs, etc.) billed to the Company on a commodity basis.

2) Expected non-commodity costs including pipeline demand charges, gas supplier reservation charges, and FERC authorized charges (i.e., take-or-pay, transition costs, etc.) billed to the Company on a non-commodity basis.

3) The cost of other gas sources for system supply (no-notice supply, Company storage, withdrawals, etc.).

Less

4) The cost of gas purchases expected to be injected into underground storage.

5) Projected recovery of non-commodity costs and Lost and Unaccounted for costs from transportation transactions.

6) Projected recovery of non-commodity and commodity costs from LVS-1 and LVS-2 transactions.

7) The cost of Company-use volumes.

8) Projected recovery of non-commodity costs from High Load Factor (HLF) demand charges.

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Gas Cost Adjustment
Rider GCA

CF - is the Correction Factor per Mcf which compensates for the difference between the expected gas cost and the actual gas cost for prior periods.

The Company shall file an updated Correction Factor (CF) in its January, April, July, and October GCA filings, to become effective in February, May, August, and November respectively.

RF - is the sum of any Refund Factors filed in the current and three preceding quarterly filings. The current Refund Factor reflects refunds received from suppliers during the reporting period. The Refund Factor will be determined by dividing the refunds received plus estimated interest[1], by the annual sales used in the quarterly filing less transported volumes. After a refund factor has remained in effect for twelve months, the difference in the amount received and the amount refunded plus the accrued interest[1] will be rolled into the next refund calculation. The refund account will be operated independently of the CF and only added as a component to the GCA in order to obtain a net GCA. In the event of any large or unusual refunds, the Company may apply to the Commission for the right to depart from the refund procedure herein set forth.

[1] At a rate equal to the average of the "3-Month Commercial Paper Rates" for the immediately preceding 12-month period less ½ of 1% to cover the costs of refunding as stated in the KPSC Order from Case No. 7157-KK. These monthly rates are reported in both the Federal Reserve Bulletin and the Federal Reserve Statistical Release.

4. **High Load Factor (HLF) Option**

Customer with daily contract demands for firm service of 240 Mcf or greater may elect to contract for High Load Factor (HLF) service and will be applicable to G-1, LVS-1, and T-2/G-1 services.

The HLF option provides for billing of the non-commodity costs in the EGC applicable only to firm service on the basis of daily contract demand rather than on a commodity basis.

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ATMOS ENERGY CORPORATION

PBR

Experimental Performance Based Rate Mechanism

Applicable

To all gas sold.

Rate Mechanism

The amount computed under each of the rate schedules to which this Performance Based Rate Mechanism is applicable shall be increased or decreased by the Performance Based Rate Recovery Factor (PBRRF) at a rate per 1,000 cubic feet (Mcf) of monthly gas consumption. Demand costs and commodity costs shall be accumulated separately and included in the pipeline suppliers Demand Component and the Gas Supply Cost Component of the Gas Cost Adjustment (GCA), respectively. The PBRRF shall be determined for each 12-month period ended October 31 during the effective term of these experimental performance based ratemaking mechanisms, which 12-month period shall be defined as the PBR period.

The PBRRF shall be computed in accordance with the following formula:

$$PBRRF = (CSPBR + BA) / ES$$

Where:

ES = Expected Mcf sales, as reflected in the Company's GCA filing for the upcoming 12-month period beginning February 1.

CSPBR = Company Share of Performance Based Ratemaking Mechanism savings or expenses. The CSPBR shall be calculated as follows:

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$$CSPBR = TPBRR \times ACSP$$

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Where:

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ACSP = Applicable Company Sharing Percentage

TPBRR = Total Performance Based Ratemaking Results. The TPBRR shall be savings or expenses created during the PBR period. TPBRR shall be calculated as follows:

$$TPBRR = (GAIF + TIF + OSSIF)$$

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ATMOS ENERGY CORPORATION

PBR

Experimental Performance Based Rate Mechanism (Continued)

GAIF

GAIF = Gas Acquisition Index Factor. The GAIF shall be computed as follows:

$$GAIF = GAIFBL + GAIFSL$$

Where:

GAIFBL represents the Gas Acquisition Index Factor for Base Load system supply natural gas purchases.

GAIFSL represents the Gas Acquisition Index Factor for Swing Load system supply natural gas purchases.

GAIFBL

The GAIFBL shall be calculated by comparing the Total Annual Benchmark Gas Commodity Costs for Base Load (TABGCCBL) system supply natural gas purchases for the PBR period to the Total Annual Actual Gas Commodity Costs for Base Load (TAAGCCBL) system supply natural gas purchases during the same period to determine if any shared expenses or shared savings exist.

TABGCCBL represents the Total Annual Benchmark Gas Commodity Costs for Base Load gas purchases and equals the annual sum of the monthly Benchmark Gas Commodity Costs of gas purchased for Base Load (BGCCBL) system supply

BGCCBL represents Benchmark Gas Commodity Costs for Base Load gas purchases and shall be calculated on a monthly basis and accumulated for the PBR period. BGCCBL shall be calculated as follows:

$$BGCCBL = Sum\,[(APVBLi - PEFDCQBL) \times SAIBLi] + (PEFDCQBL \times DAIBL)$$

Where:

APVBL is the Actual Purchased Volumes of natural gas for Base Load system supply for the month. The APVBL shall include purchases necessary to cover retention volumes required by the pipeline as fuel.

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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:

$$SAIBL = [I(1) + I(2) + I(3) + I(4)] / 4$$

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 average of weekly Natural Gas Week postings for Texas Gas Transmission Corporation Zone SL: South Louisiana as Spot Prices on Interstate Pipeline Systems.
I (2) is the average of the daily high and low Gas Daily postings for Louisiana-Onshore South Texas Gas Zone SL averaged for the month.
I (3) is the Inside FERC – Gas Market Report first-of-the-month posting for Texas Gas Zone SL.
I (4) is the New York Mercantile Exchange Settled Closing Price.

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PBR

Experimental Performance Based Rate Mechanism (Continued)

SAIBL (TGT-1)

I (1) is the average of weekly Natural Gas Week postings for Texas Gas Transmission Corporation Zone 1: North Louisiana as Spot Prices on Interstate Pipeline Systems.
I (2) is the average of the daily high and low Gas Daily postings for East Texas – North Louisiana Area - Texas Gas Zone 1 averaged for the month.
I (3) is the Inside FERC – Gas Market Report first-of-the-month posting for Texas Gas Zone 1.
I (4) is the New York Mercantile Exchange Settled Closing Price.

SAIBL (TGPL-0)

I (1) is the average of weekly Natural Gas Week postings for Tennessee Gas Pipeline Co. Zone 0: South Texas as Spot Prices on Interstate Pipeline Systems.
I (2) is the average of the daily high and low Gas Daily postings for Texas South – Corpus Christi – Tennessee and East Texas – North Louisiana Area – Tennessee, 100 leg averaged for the month.
I (3) is the Inside FERC – Gas Market Report first-of-the-month posting for Tennessee Zone 0.
I (4) is the New York Mercantile Exchange Settled Closing Price.

SAIBL (TGPL-1)

I (1) is the average of weekly Natural Gas Week postings for Tennessee Gas Pipeline Co. Zone 1: South Louisiana as Spot Prices on Interstate Pipeline Systems.
I (2) is the average of the daily high and low Gas Daily postings for Louisiana-Onshore South – 500 leg and – 800 leg average for the month.
I (3) is the Inside FERC – Gas Market Report first-of-the-month posting for Tennessee Zone 1.
I (4) is the New York Mercantile Exchange Settled Closing Price.

SAIBL (TGC-ELA)

I (1) is the average of weekly Natural Gas Week postings for Trunkline Gas Co. East Louisiana as Spot Prices on Interstate Pipeline Systems.
I (2) is the average of the daily high and low Gas Daily postings for Louisiana-Onshore South, Trunkline ELA.
I (3) is the Inside FERC – Gas Market Report first-of-the-month posting for Trunkline Louisiana.
I (4) is the New York Mercantile Exchange Settled Closing Price.

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PBR

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:

$$DAIBL = [I(1) + I(2) + I(3)] / 3$$

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

I (1) is the average of weekly Natural Gas Week postings for Spot Prices on Interstate Pipeline Systems for Dominion – South.
I (2) is the average of the daily high and low Gas Daily postings the Daily Price Survey for Dominion – South Point.
I (3) is the Inside FERC – Gas Market Report first-of-the-month posting for Prices of Spot Gas Delivered to Pipeline for Dominion 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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ATMOS ENERGY CORPORATION

PBR

Experimental Performance Based Rate Mechanism (Continued)

GAIFSL

The GAIFSL shall be calculated by comparing the Total Annual Benchmark Gas Commodity Costs for Swing Load (TABGCCSL) system supply natural gas purchases for swing load for the PBR period to the Total Annual Actual Gas Commodity Costs for Swing Load (TAAGCCSL) system supply natural gas purchases for during the same period to determine if any shared expenses or shared savings exist.

TABGCCSL represents the Total Annual Benchmark Gas Commodity Costs for Swing Load gas purchases and equals the monthly Benchmark Gas Commodity Costs of gas purchased for Swing Load system supply (BGCCSL).

BGCCSL represents Benchmark Gas Commodity Costs for Swing Load gas purchases and shall be calculated on a monthly basis and accumulated for the PBR period. BGCCSL shall be calculated as follows:

$$BGCCSL = Sum\ [(APVSLi - PEFDCQSL) \times SAISLi] + (PEFDCQSL \times DAISL)$$

Where:

APVSL is the Actual Purchased Volumes of natural gas for Swing Load system supply for the month. The APVSL shall include purchases necessary to cover retention volumes required by the pipeline as fuel.

"i" represents each supply area.

PEFDCQSL are the 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.

SAISL is the Supply Area Index factor for Swing Load to be established for each supply area in which Company has firm transportation entitlements used to transport its commodity 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).

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SECTION 9 (1)
BY: EXECUTIVE DIRECTOR

ISSUED: August 9, 2002 **EFFECTIVE:** October 1, 2002

(Issued by Authority of an Order of the Public Service Commission in Case No. 2001-00317 dated March 25, 2002).

ISSUED BY: William J. Senter Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

PBR

Experimental Performance Based Rate Mechanism (Continued)

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

$$SAISLi = I(i)$$

Where:

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

"i" represents each supply area.

The index for each supply zone is as follows:

SAISL (TGT-SL)

I (1) is the average of the daily high and low Gas Daily postings for Louisiana-Onshore South Texas Gas Zone SL averaged for the month.

SAISL (TGT-1)

I (2) is the average of the daily high and low Gas Daily postings for East Texas – North Louisiana Area - Texas Gas Zone 1 averaged for the month.

SAISL (TGPL-0)

I (3) is the average of the daily high and low Gas Daily postings for Texas South – Corpus Christi – Tennessee and East Texas – North Louisiana Area – Tennessee, 100 leg averaged for the month.

SAISL (TGPL-1)

I (4) is the average of the daily high and low Gas Daily postings for Louisiana-Onshore South – 500 leg and – 800 leg average for the month.

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ATMOS ENERGY CORPORATION

PBR

Experimental Performance Based Rate Mechanism (Continued)

SAISL (TGC-ELA)

I (5) is the average of the daily high and low Gas Daily postings for Louisiana-Onshore South, Trunkline ELA.

DAISL is the Delivery Area Index factor for Swing 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 DAISL for TGT-2, 3, 4, TGPL-2, and TGC-1B shall be calculated using the following:

$$DAISL = I(1)$$

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

I (1) is the average of the daily high and low Gas Daily postings the Daily Price Survey for Dominion – South Point.

TAAGCCSL represents Company's Total Annual Actual Gas Commodity Costs for Swing Load deliveries to Company's city gate and is equal to the total monthly actual gas commodity costs.

To the extent that TAAGCCSL exceeds TABGCCSL for the PBR period, then the GAIFSL Shared Expenses shall be computed as follows:

$$GAIFSL\ Shared\ Expenses = TAAGCCSL - TABGCCSL$$

To the extent that TAAGCCSL is less than TABGCCSL for the PBR period, then the GAIFSL Shared Savings shall be computed as follows:

$$GAIFSL\ Shared\ Savings = TABGCCSL - TAAGCCSL$$

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ATMOS ENERGY CORPORATION

PBR

Experimental Performance Based Rate Mechanism (Continued)

TIF

TIF = Transportation Index Factor. The Transportation Index Factor shall be calculated by comparing the Total Annual Benchmark Transportation Costs (TABTC) of natural gas transportation services during the PBR period to the Total Annual Actual Transportation Costs (TAATC) applicable to the same period to determine if any shared expenses or shared savings exist.

The Total Annual Benchmark Transportation Costs (TABTC) are calculated as follows:

TABTC = Annual Sum of Monthly BTC

Where:

BTC is the Benchmark Transportation Costs which include both pipeline demand and volumetric costs associated with natural gas pipeline transportation services. The BTC shall be accumulated for the PBR period and shall be calculated as follows:

BTC = Sum [BM (TGT) + BM (TGPL) + BM (TGC) + BM (PPL)]

Where:

BM (TGT) is the benchmark associated with Texas Gas Transmission Corporation.

BM (TGPL) is the benchmark associated with Tennessee Gas Pipeline Company.

BM (TGC) is the benchmark associated with Trunkline Gas Company.

BM (PPL) is the benchmark associated with a proxy pipeline. This benchmark, which will be determined at the time of purchase, will be used to benchmark purchases of transportation capacity from non-traditional sources.

The benchmark associated with each pipeline shall be calculated a follows:

BM (TGT) = (TPDR x DQ) + (TPCR x AV) + S&DB
BM (TGPL) = (TPDR x DQ) + (TPCR x AV) + S&DB
BM (TGC) = (TPDR x DQ) + (TPCR x AV) + S&DB
BM (PPL) = (TPDR x DQ) + (TPCR x AV) + S&DB

Where:

TPDR is the applicable Tariffed Pipeline Demand Rate.

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SECTION 9 (1)

BY Thomas M. Dorman
EXECUTIVE DIRECTOR

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ISSUED BY: William J. Senter Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

PBR

Experimental Performance Based Rate Mechanism (Continued)

DQ is the Demand Quantities contracted for by the Company from the applicable transportation provider.

TPCR is the applicable Tariffed Pipeline Commodity Rate.

AV is the Actual Volumes delivered at Company's city gate by the applicable transportation provider for the month.

S&DB represents Surcharges, Direct Bills and other applicable amounts approved by the Federal Energy Regulatory Commission (FERC). Such amounts are limited to FERC approved charges such as surcharges, direct bills, cashouts, take-or-pay amounts, Gas Supply Realignment and other Order 636 transition costs.

The Total Annual Actual Transportation Costs (TAATC) paid by Company for the PBR period shall include both pipeline demand and volumetric costs associated with natural gas pipeline transportation services as well as all applicable FERC approved surcharges, direct bills included in S&DB, less actual capacity release credits. Such costs shall exclude labor related or other expenses typically classified as operating and maintenance expenses.

To the extent that TAATC exceeds TABTC for the PBR period, then the TIF Shared Expenses shall be computed as follows:

TIF Shared Expenses = TAATC - TABTC

To the extent that the TAATC is less than TABTC for the PBR period, then the TIF Shared Savings shall be computed as follows:

TIF Shared Savings = TABTC - TAATC

Should one of the Company's pipeline transporters file a rate change effective during any PBR period and bill such proposed rates subject to refund, the period over which the benchmark comparison is made for the relevant transportation costs will be extended for one or more 12 month periods, until the FERC has approved final settled rates, which will be used as the appropriate benchmark. Company will not share in any of the savings or expenses related to the affected pipeline until final settled rates are approved.

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OSSIF

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OSSIF = Off-System Sales Index Factor. The Off-System Sales Index Factor shall be equal to the Net Revenue from Off-System Sales (NR).

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BY [illegible]
EXECUTIVE DIRECTOR

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ISSUED BY: William J. Senter Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

PBR

Experimental Performance Based Rate Mechanism (Continued)

Net Revenue is calculated as follows:

$$NR = OSREV - OOPC$$

Where:

OSREV is the total revenue associated with off-system sales and storage service transactions.

OOPC is the out-of-pocket costs associated with off-system sales and storage service transactions and shall be determined as follows:

$$OOPC = OOPC(GC) + OOPC(TC) + OOPC(SC) + OOPC(UGSC) + \text{Other Costs}$$

Where:

OOPC (GC) is the Out-of-Pocket Gas Costs associated with off-system sales transactions. For off-system sales utilizing Company's firm supply contracts, the OOPC (GC) shall be the incremental costs to purchase the gas available under Company's firm supply contracts. For off-system sales not using Company's firm supply contracts, the OOPC (GC) shall be the incremental costs to purchase the gas from other entities.

OOPC (TC) is the Out-of-Pocket Transportation Costs associated with off-system sales transactions. For off-system sales utilizing Company's firm transportation agreements, the OOPC (TC) shall be the incremental cost to use the transportation available under Company's firm supply contracts. For off-system sales not using Company's firm transportation agreements, the OOPC (TC) shall be the incremental costs to purchase the transportation form other entities.

OOPC (SC) is the Out-of-Pocket Storage Costs associated with off-system sales of storage. If this is gas in Company's own storage or gas stored with Tennessee Gas Pipeline it shall be priced at the average price of the gas in Company's storage during the month of sale. If this is gas from the storage component of Texas Gas's No-Notice Service, this gas shall be priced at the replacement costs.

OOPC (UGSC) is the Out-of-Pocket Underground Storage Costs associated with off-system sales of storage services. For the off-systems sales of storage services utilizing Company's on-system storage, the OOPC (UGSC) shall include incremental storage losses, odorization, and other fuel-related costs such as purification, dehydration, and compression. Such costs shall exclude labor-related expenses.

Other Costs represent all other incremental costs and include, but are not limited to, costs such as applicable sales taxes and excise fees. Such costs shall exclude labor-related or other expenses typically classified as operating and maintenance expenses.

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ATMOS ENERGY CORPORATION

PBR

Experimental Performance Based Rate Mechanism (Continued)

ACSP

ACSP = Applicable Company Sharing Percentage. The ACSP shall be determined based on the PTAGSC.

Where:

PTAGSC = Percentage of Total Actual Gas Supply Costs. The PTAGSC shall be the TPBRR stated as a Percentage of Total Actual Gas Supply Costs and shall be calculated as follows:

PTAGSC = TPBRR / TAGSC

Where:

TAGSC = Total Actual Gas Supply Costs. The TAGSC shall be calculated as follows:

TAGSC = TAAGCCBL + TAAGCCSL + TAATC

If the absolute value of the PTAGSC is less than or equal to 2.0%, then the ACSP of 30% shall be applied to TPBRR to determine CSPBR. If the absolute value of the PTAGSC is greater than 2.0%, then the ACSP of 30% shall be applied to the amount of TPBRR that is equal to 2.0% of TAGSC to determine a portion of CSPBR, and the ACSP of 50% shall be applied to the amount of TPBRR that is in excess of 2.0% of TAGSC to determine a portion of CSPBR. These two portions are added together to produce the total CSPBR.

BA

BA = Balance Adjustment. The BA is used to reconcile the difference between the amount of revenues billed or credited through the CSPBR and previous application of the BA and revenues which should have been billed or credited, as follows:

1. For the CSPBR, the balance adjustment amount will be the difference between the amount billed in a 12 month period from the application of the CSPBR and the actual amount used to establish the CSPBR for the period.

2. For the BA, the balance adjustment amount will be the difference between the amount billed in a 12-month period from the application of the BA and the actual amount used to establish the BA for the period.

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Review

Within 60 days of the end of the third year of the four-extension, the Company will file an assessment and review of the PBR mechanism for the first three years of the extension period. In that report and assessment, the Company will make any recommended modifications to the PBR mechanism.

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ISSUED BY: William J. Senter Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Margin Loss Recovery Rider

MLR

1. Applicable

Applicable to tariff Sales Service Rates G-1, G-2, LVS-1 and LVS-2. This Margin Loss Recovery Rider is intended to authorize the Company to recover 50% of distribution charge losses that result from (1) discounts pursuant to the Alternate Fuel Responsive Flex Provision, (2) special contracts approved by the Public Service Commission of Kentucky, or (3) a customer's bypass of the Company's system.

2. Calculation of the Margin Loss Recovery Factor

The Margin Loss Recovery Factor will be calculated in accordance with the following formula:

$$MLR = \frac{(ML_f + ML_s + ML_b) \times .5}{S}$$

Where:

MLR is the Margin Loss Recovery Factor

ML_f is the sum of discounts pursuant to the Alternate Fuel Responsive Flex Provision, calculated by multiplying the discount below the customer's otherwise applicable distribution charge times the volumes delivered under the flex provision.

ML_s is the sum of discounts pursuant to special contracts implemented subsequent to Case 99-070, calculated by multiplying the discount below the customer's otherwise applicable distribution charge times the customer's volumes in the test year for Case 99-070 or the customer's current annual volumes (whichever is less).

ML_b is the sum of margin losses associated with customer bypass of the Company's system subsequent to Case 99-070, equaling the total margin attributable to the customer during the test year for Case 99-070.

S is the expected sales volumes as used in the Correcting Factor of the Gas Cost Adjustment Rider

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Filing with the Public Service Commission of Kentucky

The MLR shall be filed every January and July, to become effective in February and August, respectively. The February filing shall update the MLR for the six months ended November period while the August filing shall update the MLR for the six months ended May period.

EXECUTIVE DIRECTOR

ISSUED: January 1, 2004 **EFFECTIVE:** January 1, 2004 through December 31, 2006

(Issued by Authority of an Order of the Public Service Commission in Case No.2003-00305 dated December 17, 2003)

ISSUED BY: Gary L. Smith Vice President – Marketing & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Demand-Side Management Cost Recovery Mechanism

DSM

1. Applicable

Applicable to Rate G-1 Sales Service, residential class only.

The Distribution Charge under Residential Rate G-1 Sales Service, shall be increased or decreased for six annual periods beginning January 2000 and continuing through December 31, 2005, by the DSM Cost Recovery Component (DSMRC) at a rate per Mcf in accordance with the following formula: (T)

$$DSMRC = DCRC + DBA$$

Where:

DCRC = DSM Cost Recovery-Current. The DCRC shall include all projected costs for the next twelve-month period. These costs shall be limited to expected payments to program implementation contractors over that period, as well as any costs incurred by or on behalf of the DSM collaborative process. These costs would be divided by the expected Mcf sales for the upcoming twelve-month period to determine the DCRC.

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EXECUTIVE DIRECTOR

ISSUED: April 25, 2003 **EFFECTIVE:** April 25, 2003

(Issued by Authority of an Order of the Public Service Commission in Case No. 2002-00405 dated April 25, 2003)

ISSUED BY: Gary Smith Vice President – Marketing & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Demand-Side Management Cost Recovery Mechanism
DSM

DBA = DSM Balance Adjustment. The DBA shall be calculated on a calendar year basis and be used to reconcile the difference between the amount of revenues actually billed through the DCRC and previous applications of the DBA, and the revenues which should have been billed.

The DBA for the upcoming twelve-month period shall be calculated as the sum of the balance adjustments for the DCRC and DBA. For the DCRC, the balance adjustment shall be the difference between the amount billed in a twelve-month period from the application of the DCRC unit charge and the actual cost of the DSM Program during the same twelve-month period.

For the DBA, the balance adjustment shall be the difference between the amount billed in a twelve-month period from the application of the DBA unit charge and the balance adjustment amount established for the same twelve-month period.

The balance adjustment amounts calculated will include interest to be calculated at a rate equal to the average of "3-month Commercial Paper Rate" for the immediately preceding twelve-month period. The balance adjustments plus interest shall be divided by the expected Mcf sales for the upcoming twelve-month period to determine the DBA.

The Company will file modifications to the DSMRC on an annual basis at least two months prior to the beginning of the effective upcoming twelve-month period for billing. This annual filing shall include detailed calculations of the DCRC and the DBA, as well as data on the total cost of the DSM Program over the twelve-month period.

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ISSUED BY: William J. Senter Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Demand-Side Management Cost Recovery Mechanism

DSM

DSM Cost Recovery Component (DSMRC):

DSM Cost Recovery – Current:	$0.0155 per Mcf	
DSM Balance Adjustment:	$0.0001 per Mcf	(I)
DSMRC Residential Rate G-1	$0.0156 per Mcf	(I)

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Executive Director

ISSUED: October 28, 2004

EFFECTIVE: January 1, 2005

(Issued by Authority of an Order of the Public Service Commission in Case N ... ber 8, 2004)

ISSUED BY: Gary Smith Vice President – Marketing & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Gas Research Institute R & D Rider

GRI R & D Unit Charge

Applicable:
This rider applies to the distribution charge applicable to all gas transported by the Company other than Rate T-3 and T-4 Carriage Service.

GRI R&D Unit Charge:
The intent of the Gas Research Institute R&D Unit Charge is to maintain the Company's level of contribution per Mcf as of December 31, 1998. The Unit Charge will be billed according to the transition schedule outlined in the pipelines' tariff.

	Effective Date	Rate Per Mcf
GRI R&D Unit Charge	12/21/1999	$0.0004
	01/01/2000	$0.0007
	01/01/2001	$0.0016
	01/01/2002	$0.0021
	01/01/2003	$0.0025
	01/01/2004	$0.0035

Note 1: The GRI R&D Unit Charge is a weighted average of the rates under the pipelines' transition schedules and applicable annual volumes.

Waiver Provision:
The GRI R&D Unit Charge may be reduced or waived for one or more classifications of service or rate schedules at any time by the Company by filing notice with the Commission. Any such waiver shall not increase the GRI R&D Unit Charge to the remaining classifications of service or rate schedules without Commission approval.

Remittance of Funds:
All funds collected under this rider will be remitted to Gas Research Institute on a quarterly basis. The amounts so remitted shall be reported to the Commission annually.

Reports to the Commission:
A statement setting forth the manner in which the funds remitted have been invested in research and development will be filed with the Commission annually.

Termination of this Rider:
Participation in the GRI R&D funding program is voluntary on the part of the Company. This rider may be terminated at any time by the Company by filing a notice of recision with the Commission.

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ISSUED BY: William J. Senter Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Storage Transportation Service
Rate T-1

1. Applicable

Entire Service Area of the Company.

2. Availability of Service

Available to customers who own storage facilities and have purchased or transported natural gas from the Company for the purpose of seasonal storage and require transportation through Company pipelines to the point of storage and/or utilization, subject to suitable service being available from existing facilities.

3. Net Monthly Rate

All Mcf @ $ 0.150 per 1,000 cubic feet

Any additions or modifications of the Company's facilities required to perform this service shall be at the sole expense of the customer.

4. Terms and Conditions

a) Specific details relating to volumes, delivery points, and other matters shall be covered by a separate contract with the individual customers.

b) The Company shall have the right any time, without liability to the customer, to curtail or to discontinue the delivery of gas entirely to the customer for any period of time when such curtailment or discontinuance is, in the Company's sole discretion, necessary to protect the requirements of domestic and commercial customers; to comply with any restriction or curtailment as may be imposed by any governmental agency having jurisdiction over the Company or its supplier, or to comply with any restriction or curtailment as may be imposed by the Company's supplier; to protect and assure the operation of the Company's underground storage system; or for any causes due to force majeure; so that the Company may maintain the operating efficiency of its system in a safe and orderly manner.

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EXECUTIVE DIRECTOR

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(Issued by Authority of Kentucky Public Service Commission Order – Case No. 10063).

ISSUED BY: William J. Senter Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Storage Transportation Service
Rate T-1

c) The Company will not be obligated to deliver a total supply of gas to a customer in excess of that customer's Base Period Volumes.

d) It shall be the customer's responsibility to make all necessary arrangements, including regulatory approvals, required to deliver gas transported under this tariff to the facilities of the Company.

e) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.

f) The Rules, Regulations and Orders of the Public Service Commission and of the Company, and the Company's general terms and conditions applicable to industrial sales, shall apply to this Tariff and all contracts thereunder.

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ISSUED BY: William J. Senter Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

General Transportation Service
Rate T-2

1. Applicable

Entire service area of the Company to any customer receiving service under the General Sales Service (G-1) and/or Interruptible Sales Service (G-2).

2. Availability of Service

Available to any customer with an expected consumption of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require transportation by the Company to the customer's facilities subject to suitable service being available from existing facilities.

3. Net Monthly Rate

In addition to any and all charges assessed by other parties, there will be applied:

a) Transportation Administration Fee - $50.00 per customer per month

b) Distribution Charge for High Priority Service

First[1]	300	Mcf	@	$ 1.1900	per	Mcf
Next[1]	14,700	Mcf	@	0.6590	per	Mcf
Over	15,000	Mcf	@	0.4300	per	Mcf

c) Distribution Charge for Low Priority Service

First[1]	15,000	Mcf	@	$ 0.5300	per	Mcf
Over	15,000	Mcf	@	0.3591	per	Mcf

d) Applicable Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.

e) Electronic Flow Measurement ("EFM") facilities charge, if applicable (Sheet No. 68).

[1] All gas consumed by the customer (Sales, transportation, and/or firm, high load-factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

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ISSUED BY: William J. Senter Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

General Transportation Service
Rate T-2

4. **Net Monthly Bill**

The Net Monthly Bill, for T-2 Service, shall be equal to the sum of the Transportation Administration Fee and the appropriate Transportation Charge (Distribution Charge plus Non-commodity component) applied to the customer's transported volumes and any applicable Electronic Flow Measurement ("EFM") facilities charges (see Subsection 7 "Special Provisions" of this tariff). The customer will also be billed for purchases and the applicable Base Charge and High Load Factor (HLF) demand charge under Rates G-1 and G-2.

5. **Nominated Volume**

Definition: "Nominated Volume" or "Nomination" – The Level of daily volume in Mcf as requested by the customer to be transported and delivered by the Company. Such volume nominated by the Customer shall include an allowance for the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6. The volumes delivered by the Customer to the Company for redelivery to the Customer's facilities will be reduced to cover the related system Lost and Unaccounted gas quantities.

Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period.

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ATMOS ENERGY CORPORATION

General Transportation Service
Rate T-2

6. Imbalances

The Company will calculate, on a monthly basis, the customer's Imbalance resulting from the differences that occur between the volume that the customer had delivered into the Company's facilities and the volume the Company delivered to the customer's facilities plus an allowance for system Lost and Unaccounted gas quantities.

$$\text{Imbalance} = [\ \text{Mcf}_{\text{Customer}} \times (1 - \text{L\&U\%})\ ] - \text{Mcf}_{\text{Company}}$$

Where:

1. "$\text{Mcf}_{\text{Customer}}$" are the volumes that the customer had delivered to the Company's facilities.

2. "$\text{Mcf}_{\text{Company}}$" are the volumes the Company delivered into customer's facilities, however, the Company will adjust the Imbalance, if at the Company's request, the customer did not take deliveries of the volumes the customer had delivered to the Company facilities.

3. "L&U%" is the system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6.

The Imbalance will be resolved by use of the following procedure:

a) If the Imbalance is negative, then the customer will be billed for the Imbalance volumes at the Company's applicable sales rate.

If the imbalance is positive, then the Company will "bank", for one billing period, volumes up to 10% of the customer's "$\text{MCF}_{\text{Company}}$". The Company will purchase the imbalance in volumes, if any, in excess of the banked volumes from the customer at the prices described in the following "Cash Out" method stated in item (b).

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PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
BY _____
EXECUTIVE DIRECTOR

ISSUED: August 9, 2002 **EFFECTIVE:** October 1, 2002

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ISSUED BY: William J. Senter Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

General Transportation Service
Rate T-2

b) "Cash out" Method

Imbalance volumes		**Cash-out Price**
First 5%[1] of Mcf Customer	@	100% of Index Price[2]
Next 5%[1] of Mcf Customer	@	90% of Index Price[2]
Over 10%[1] of Mcf Customer	@	80% of Index Price[2]

[1] Not to exceed the Imbalance volumes

[2] The index price will equal the effective "Cash out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.

c) Customer will be reimbursed for all pipeline transportation commodity charges applying to cash out volumes. However, the reimbursement will not exceed pipeline transportation commodity charges the Company would have incurred to transport the "Cash Out" volumes.

d) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty (s) assessed by the pipeline (s) resulting from the customer's failure to match volumes that the customer had delivered into the Company's facilities with volumes the Company delivered into customer's facilities.

e) Banked positive imbalance volumes will be deemed "first through the meter" delivered to the Customer in the month following delivery to the Company on the Customer's account. Banked volumes may be used by the Company for system supply or stored during the interim period.

7. **Special Provisions**

a) Service under this Rate Schedule entitles the customer to purchase sales gas from the Company at the applicable tariff rates when its supply requirements exceed the nominated volume. The customer is entitled to purchase natural gas from the Company with the applicable Sales Rate Schedule.

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ATMOS ENERGY CORPORATION

General Transportation Service
Rate T-2

b) It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which will be required as a result of receiving transportation under this Transportation Tariff Rate (additional facilities may be required to allow for changing from weekly or monthly meter readings to daily meter record for the billing period). Electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communications support services related to the EFM equipment. Customers required to install EFM may elect the optional monthly EFM facilities charges (Sheet No. 68). EFM equipment is not required for customers whose contractual requirements with the Company are less than 300 Mcf/day; however, such customers may, at their option, elect to install EFM equipment under the same provisions set forth above.

8. Terms and Conditions

a) Specific details relating to volume, delivery point and similar matters shall be covered by a separate written contract or amendment with the customer.

b) Gas transported under this Transportation Tariff Rate is subject to the provisions of the Company's curtailment order.

c) The Company will not be obligated to deliver a total supply of gas to the customer in excess if the customer's maximum contracted volumes.

d) It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas transported under this Transportation Tariff Rate to the facilities of the Company.

e) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.

f) The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Transportation Tariff Rates and all contracts and amendments thereunder.

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ATMOS ENERGY CORPORATION

General Transportation Service
Rate T-2

9. Alternative Fuel Responsive Flex Provision

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the otherwise applicable Distribution Charge on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by the customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.

Pursuant to this Section, the Company may flex the otherwise applicable transportation rate to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

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SECTION 9 (1)
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EXECUTIVE DIRECTOR

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ISSUED BY: William J. Senter Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Interruptible Carriage Service
Rate T-3

1. Applicable

Entire service area of the Company to any customer for that portion of the customer's interruptible requirements not included under one of the Company's sales tariffs.

2. Availability of Service

a) Available to any customer with an expected demand of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require interruptible carriage service by the Company to customer's facilities subject to suitable service being available from existing facilities.

b) The Company may decline to initiate service to a customer under this tariff or to allow a customer receiving service under this tariff to elect any other service provided by the Company, if in the Company's sole judgment, the performance of such service would be contrary to good operating practice or would have a detrimental impact on other customers serviced by the Company.

3. Net Monthly Rate

In addition to any and all charges assessed by other parties, there will be applied:

a) Base Charge - $220.00 per delivery point
b) Transportation Administration Fee - 50.00 per customer per month

c) Distribution Charge for Interruptible Service

First[1]	15,000 Mcf	@	$0.5300 per Mcf
Over	15,000 Mcf	@	0.3591 per Mcf

d) Applicable Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.

e) Electronic Flow Measurement ("EFM") facilities charge, if applicable (Sheet No. 68).

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

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ATMOS ENERGY CORPORATION

Interruptible Carriage Service
Rate T-3

4. Net Monthly Bill

The Net Monthly Bill shall be equal to the sum of the Base Charge, the Transportation Administration Fee, and applicable Distribution Charge and Non-Commodity Component, and any applicable Electronic Flow Measurement ("EFM") facilities charges (see Subsection 8 "Special Provisions" of this tariff.)

5. Nominated Volume

Definition: "Nominated Volume" or "Nomination" – The level of daily volume in Mcf as requested by the customer to be transported and delivered by the Company. Such volume nominated by the Customer shall include an allowance for the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6. The volumes delivered by the Customer to the Company for redelivery to the Customer's facilities will be reduced to cover the related system Lost and Unaccounted gas quantities.

Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period.

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ATMOS ENERGY CORPORATION

Interruptible Carriage Service
Rate T-3

6. Imbalances

The Company will calculate, on a monthly basis, the customer's Imbalance resulting from the differences that occur between the volume that the customer had delivered into the Company's facilities and the volume the Company delivered to the customer's facilities plus an allowance for system Lost and Unaccounted gas quantities.

$$\text{Imbalance} = [\ \text{Mcf}_{\text{Customer}} \times (1 - \text{L\&U\%})\ ] - \text{Mcf}_{\text{Company}}$$

Where:

1. "$\text{Mcf}_{\text{Customer}}$" are the total volumes that the customer had delivered to the Company's facilities.

2. "$\text{Mcf}_{\text{Company}}$" are the volumes the Company delivered into customer's facilities, however, the Company will adjust the Imbalance, if at the Company's request, the customer did not take deliveries of the volumes the customer had delivered to the Company's facilities.

3. "L&U%" is the system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6.

The Imbalance volumes will be resolved by use of the following procedure:

a) If the Imbalance is negative and Imbalance volumes were approved by the Company, then the customer-will be billed for the Imbalance volumes at a rate equal to 110% of the Company's sales rate (G-2). However, if the Imbalance volumes were not approved by the Company, then the Imbalance volumes shall be deemed as an overrun and the Company may, at its sole discretion, apply a penalty rate of up to $15.00 per Mcf. The Company has no obligation to provide gas supply to a customer electing service under this tariff.

If the Imbalance is positive, then the Company will purchase the Imbalance volumes in excess of "parked" volumes from the customer at the rates described in the following "Cash out" method in item (b).

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ATMOS ENERGY CORPORATION

Interruptible Carriage Service
Rate T-3

b) "Cash out" Method

Imbalance volumes		**Cash-out Price**
First 5% of Mcf Customer[1]	@	100% of Index Price[2]
Next 5% of Mcf Customer[1]	@	90% of Index Price[2]
Over 10% of Mcf Customer[1]	@	80% of Index Price[2]

[1] Not to exceed the Imbalance volumes

[2] The index price will equal the effective "Cash out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.

c) Customer will be reimbursed for all pipeline transportation commodity charges applying to cash out volumes. However, the reimbursement will not exceed pipeline transportation commodity charges the Company would have incurred to transport the "Cash Out" volumes.

d) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty (s) assessed by the pipeline (s) resulting from the customer's failure to match volumes that the customer had delivered to the Company's facilities with volumes the Company delivered into customer's facilities.

e) Customer may, by written agreement with the Company, arrange to "park" positive imbalance volumes, up to 10% of "MCF Company ", on a monthly basis at .10/MCF per month. The parking service will be provided on a "best efforts" basis by the Company. Parked volumes will be deemed "first through the meter" delivered to the Customer in the month following delivery to the Company on the Customer's account.

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ATMOS ENERGY CORPORATION

Interruptible Carriage Service
Rate T-3

7. Curtailment

a) The Company shall have the right at any time without liability to the customer to curtail or to discontinue the delivery of gas entirely to the customer for any period of time when such curtailment or discontinuance is necessary to protect the requirements of domestic and commercial customers; to avoid an increased maximum daily demand in the Company's gas purchases; to avoid excessive peak load and demands upon the gas transmission or distribution system; to relieve system capacity constraints; to comply with any restriction or curtailment of any governmental agency having jurisdiction over the Company or its supplier or to comply with any restriction or curtailment as may be imposed by the Company's supplier; to protect and insure the operation of the Company's underground storage system; for any causes due to force majeure (which includes acts of God; strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.

b) All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailment Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission.

8. Special Provisions

It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which will be required as a result of receiving service under this Interruptible Carriage Service Rate T-3. Electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communications support services related to the EFM equipment. Customers required to install EFM may elect the optional monthly EFM facilities charge (Sheet No. 68). EFM equipment is not required for customers whose contractual requirements with the Company are less than 100 Mcf/day; however, such customers may, at their option, elect to install EFM equipment under the same provisions set forth above.

No gas delivered under this rate schedule and applicable contract shall be available for resale to anyone other than an end-user for use as a motor vehicle fuel.

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ATMOS ENERGY CORPORATION

Interruptible Carriage Service
Rate T-3

9. Terms and Conditions

a) Specific details relating to volume, delivery point and similar matters shall be covered by a separate written contract or amendment with the customer.

b) The Company will not be obligated to deliver a total supply of gas to the customer in excess of the customer's maximum daily carriage volumes. The Company has no obligation under this tariff to provide any sales gas to the customer.

c) It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas under this Interruptible Carriage Service Rate to the facilities of the Company.

d) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.

e) The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Carriage Service Rates and all contracts and amendments thereunder.

f) In the event the customer loses its gas supply, it may be allowed a reasonable time in which to secure replacement volumes (up to the contract daily carriage quantity), subject to provisions of Section 5 of this tariff.

A "reasonable time" will be, except when precluded by operational constraints, matched to the make-up grace period by the respective interstate pipeline transporter.

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ATMOS ENERGY CORPORATION

Interruptible Carriage Service
Rate T-3

g) The customer will be solely responsible to correct, any imbalances it has caused on the applicable pipeline's system.

10. Late Payment Charge

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

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ATMOS ENERGY CORPORATION

Interruptible Carriage Service
Rate T-3

11. Alternative Fuel Responsive Flex Provisions

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the applicable Distribution Charge on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by the customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.

Pursuant to this Section, the Company may flex the otherwise applicable transportation rate to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

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ISSUED BY: William J. Senter Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Firm Carriage Service
Rate T-4

1. **Applicable**

Entire Service Area of the Company to any customer for that portion of the customer's firm requirements not included under one of the Company's sales tariffs.

2. **Availability of Service**

a) Available to any customer with an expected demand of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require firm carriage service by the Company to customer's facilities subject to suitable service being available from existing facilities.

b) The Company may decline to initiate service to a customer under this tariff or to allow a customer receiving service under this tariff to elect any other service provided by the Company, if in the Company's sole judgment, the performance of such service would be contrary to good operating practice or would have a detrimental impact on other customers serviced by the Company.

3. **Net Monthly Rate**

In addition to any and all charges assessed by other parties, there will be applied:

a) Base Charge - $220.00 per delivery point

b) Transportation Administration Fee - 50.00 per customer per month

c) Distribution Charge for Firm Service

First	300	Mcf	@	$1.1900	per Mcf
Next	14,700	Mcf	@	0.6590	per Mcf
Over	15,000	Mcf	@	0.4300	per Mcf

d) Applicable Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.

e) Electronic Flow Measurement ("EFM") facilities charges, if applicable (Sheet No. 68).

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

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ATMOS ENERGY CORPORATION

Firm Carriage Service
Rate T-4

4. Net Monthly Bill

The Net Monthly Bill shall be equal to the sum of the Base Charge, the Transportation Administration Fee, and applicable Distribution Charge and Non-Commodity Component, and any applicable Electronic Flow Measurement ("EFM") facilities charges (see subsection 8 "Special Provisions" of this tariff.)

5. Nominated Volume

Definition: "Nominated Volume" or "Nomination" – The level of daily volume in Mcf as requested by the customer to be transported and delivered by the Company. Such volume nominated by the Customer shall include an allowance for the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6. The volumes delivered by the Customer to the Company for redelivery to the Customer's facilities will be reduced to cover the related system Lost and Unaccounted gas quantities.

Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period.

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ATMOS ENERGY CORPORATION

Firm Carriage Service
Rate T-4

6. Imbalances

The Company will calculate, on a monthly basis, the customer's Imbalance resulting from the differences that occur between the volume that the customer had delivered into the Company's facilities and the volume the Company delivered to the customer's facilities plus an allowance for system Lost and Unaccounted gas quantities.

$$\text{Imbalance} = [\ \text{Mcf}_{\text{Customer}} \times (1\text{-L\&U\%})\ ] - \text{Mcf}_{\text{Company}}$$

Where:

1. "$\text{Mcf}_{\text{Customer}}$" are the total volumes that the customer had delivered to the Company's facilities.

2. "$\text{Mcf}_{\text{Company}}$" are the volumes the Company delivered into customer's facilities, however, the Company will adjust the Imbalance, if at the Company's request, the customer did not take deliveries of the volumes the customer had delivered to the Company's facilities.

3. "L&U%" is the system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6.

The Imbalance volumes will be resolved by use of the following procedure:

a) If the Imbalance is negative and Imbalance volumes were approved by the Company, then the customer will be billed for the Imbalance volumes at a rate equal to 110% of the Company's sales rate (G-1). However, if the Imbalance volumes were not approved by the Company, then the Imbalance volumes shall be deemed as an overrun and may be billed up to $15.00 per Mcf. The Company has no obligation to provide gas supply to a customer electing service under this tariff.

If the Imbalance is positive, then the Company will purchase the Imbalance volumes in excess of "parked" volumes from the customer at the rates described in the following "Cash out" method in item (b).

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EXECUTIVE DIRECTOR

ATMOS ENERGY CORPORATION

Firm Carriage Service
Rate T-4

b) "Cash out" Method

Imbalance volumes		**Cash-out Price**
First [1] 5% of Mcf Customer	@	100% of Index Price [2]
Next [1] 5% of Mcf Customer	@	90% of Index Price [2]
Over [1] 10% of Mcf Customer	@	80% of Index Price [2]

[1] Not to exceed the Imbalance volumes

[2] The index price will equal the effective "Cash out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.

c) Customer will be reimbursed for all pipeline transportation commodity charges applying to cash out volumes. However, the reimbursement will not exceed pipeline transportation commodity charges the Company would have incurred to transport the "Cash Out" volumes.

d) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty(s) assessed by the pipeline(s) resulting from the customer's failure to match volumes that the customer had delivered to the Company's facilities with volumes the Company delivered into customer's facilities.

e) Customer may, by written agreement with the Company, arrange to "park" positive imbalance volumes, up to 10% of "MCF Company ", on a monthly basis at .10/MCF per month. The parking service will be provided on a "best efforts" basis by the Company. Parked volumes will be deemed "first through the meter" delivered to the Customer in the month following delivery to the Company on the Customer's account.

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ATMOS ENERGY CORPORATION

Firm Carriage Service
Rate T-4

7. Curtailment

All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailment Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission and for any causes due to force majeure (which includes acts of God; strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.

8. Special Provisions

It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which will be required as a result of receiving service under this Firm Carriage Service Rate T-4. Electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communications support services related to the EFM equipment. Customers required to install EFM may elect the optional monthly EFM facilities charges (Sheet No. 68). EFM equipment is not required for customers whose contractual requirements with the Company are less than 100 Mcf/day; however, such customers may, at their option, elect to install EFM equipment under the same provisions set forth above.

No gas delivered under this rate schedule and applicable contract shall be available for resale to anyone other than an end-user for use as a motor vehicle fuel.

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ATMOS ENERGY CORPORATION

Firm Carriage Service
Rate T-4

9. Terms and Conditions

a) Specific details relating to volume, delivery point and similar matters shall be covered by a separate written contract or amendment with the customer.

b) The Company will not be obligated to deliver a total supply of gas to the customer in excess of the customer's maximum daily carriage volumes. The Company has no obligation under this tariff to provide any sales gas to the customer.

c) It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas under this Firm Carriage Service Rate to the facilities of the Company.

d) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.

e) The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Carriage Service Rates and all contracts and amendments thereunder.

f) In the event the customer loses its gas supply, it may be allowed a reasonable time in which to secure replacement volumes (up to the contract daily carriage quantity), subject to provisions of Section 5 of this tariff.

A "reasonable time" will be, except when precluded by operational constraints, matched to the make-up grace period by the respective interstate pipeline transporter.

g) The customer will be solely responsible to correct, or cause to be corrected, any imbalances it has caused on the applicable pipeline's system.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
BY [signature]
EXECUTIVE DIRECTOR

ISSUED: August 9, 2002 **EFFECTIVE:** October 1, 2002

(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

ISSUED BY: William J. Senter Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Firm Carriage Service
Rate T-4

10. Late Payment Charge

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

11. Alternative Fuel Responsive Flex Provision

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the applicable Distribution Charge on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by the customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.

Pursuant to this Section, the Company may flex the otherwise applicable transportation rate to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

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ATMOS ENERGY CORPORATION

Alternate Receipt Point Service
Rate T-5

1. **Applicable**

Entire service area of the Company to any customer, subject to limitations noted below, for that portion of the customer's Rate T-2 transportation or carriage service (Rate T-3 or Rate T-4) requirements.

2. **Availability of Service**

a) Available, subject to restrictions noted below, to any customer utilizing transportation or carriage services, on an individual service at the same premise, who has purchased its own supply of natural gas and requests delivery to the Company at a receipt point other than the Company's interconnection with the pipeline, or supplier immediately upstream of customer's premises, or the receipt point designated as the primary receipt point in such customer's contract with the Company.

b) The alternate receipt point through which service is requested must be physically accessible via the Company's existing pipeline system upstream of the delivery point to the customer's facilities.

c) The Company shall determine the portions of its system to which access may be granted to a specific Alternate Receipt Point.

d) Access to certain alternate receipt points may be limited or restricted altogether by the Company.

e) Availability of service is contingent upon the Company's determination that such service is available through existing facilities.

f) The Company may decline to initiate service to a customer under this tariff, if in the Company's judgment, the performance of such service would be contrary to good operating practice or would have a detrimental impact on other customers serviced by the Company.

3. **Net Monthly Rate**

In addition to any and all charges assessed by other parties, and in addition to the charges applicable to Customer associated with their Rate T-2 transportation or Rate T-4 carriage service requirements, the following supplemental administrative charge will be applied during months in which volumes are received and transported from the Alternate Receipt Point:

a) Administrative Charge @ $50.00 per month

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ATMOS ENERGY CORPORATION

Alternate Receipt Point Service
Rate T-5

The administrative fee is waived if, during the month, the Alternate Receipt Point represents the only point of receipt utilized by the customer.

4. Imbalances

a) Volumes delivered by the Company under the Alternate Receipt Point service may be subjected to imbalance restrictions additional to those specified in the transportation (Rate T-2) or carriage (Rate T-3 or Rate T-4) tariffs.
b) Banking or Parking allowances for volumes delivered under the Alternate Receipt Point service may be limited or restricted altogether, at the Company's judgment.

5. Terms and Conditions

a) Volumes under the Alternate Receipt Point service are received for redelivery by the Company on a strictly interruptible basis.
b) The Company is not responsible for any costs incurred by the customer in its arrangement for gas supply or capacity to the Alternate Receipt Point.
c) Specific details relating to volume, receipt point(s) and similar matters shall be covered by a separate written contract or amendment with the customer.
d) Other than provisions referenced herein, or as more specifically set forth in the contract or amendment with the customer, all provisions of the customer's transportation (Rate T-2) or carriage (Rate T-3 or Rate T-4) tariffs shall apply.

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ATMOS ENERGY CORPORATION

Special Charges

Service	After Hours	Regular
Meter Set*	$35.00	$28.00
Turn-on*	25.00	20.00
Read	14.00	12.00
Reconnect Delinquent Service	40.00	34.00
Seasonal Charge	73.00	65.00
Special Meter Reading Charge	N/A	No Charge
Meter Test Charge	N/A	20.00
Returned Check Charge	N/A	23.00
Late Payment Charge (Rate G-1 only)		5%

Optional Facilities Charge for Electronic Flow Measurement ("EFM") equipment
- Class 1 EFM equipment (less than $7,500, including installation costs) 105.00 per mo.
- Class 2 EFM equipment (more than $7,500, including installation costs) 245.00 per mo.

* Waived for qualified low income applicants ("LIHEAP participants")

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EXECUTIVE DIRECTOR

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ATMOS ENERGY CORPORATION

(D)

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MAY 02 2003

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SECTION 9 (1)
BY [signature]
EXECUTIVE DIRECTOR

ISSUED: April 10, 2003

EFFECTIVE: May 2[illegible], 2003

ISSUED BY: Gary L. Smith

Vice President – Marketing & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Rules and Regulations

1. **Commission's Rules and Regulations**

All gas service rendered by the Company shall be in accordance with the Kentucky Public Service Commission (Commission) law and the acts, rules, regulations and forms which have been adopted by the Public Service Commission of Kentucky and all amendments and modification which may be made by the Commission. In the event of a conflict between Commission law or regulations and a following Company rule the Commission regulation will control, unless the Company rule was approved by the Commission.

2. **Company's Rules and Regulations**

In addition to the Rules and Regulations prescribed by the Commission, all gas service rendered shall also be in accordance with the following Company Rules and Regulations adopted by the Company. The following rules are part of the Contract between the Company and each Customer.

3. **Application for Service**

Applications for service may be made at the Company's local office either in person, or by telephone. The application for service is not complete until the applicant has fulfilled all applicable tariff eligibility requirements and complied with these rules. A separate application or contract shall be made for each class of service at each separate location.

In cases where unusual circumstances or equipment expense is necessary to furnish the service, the Company may require a contract for a minimum period of one (1) year.

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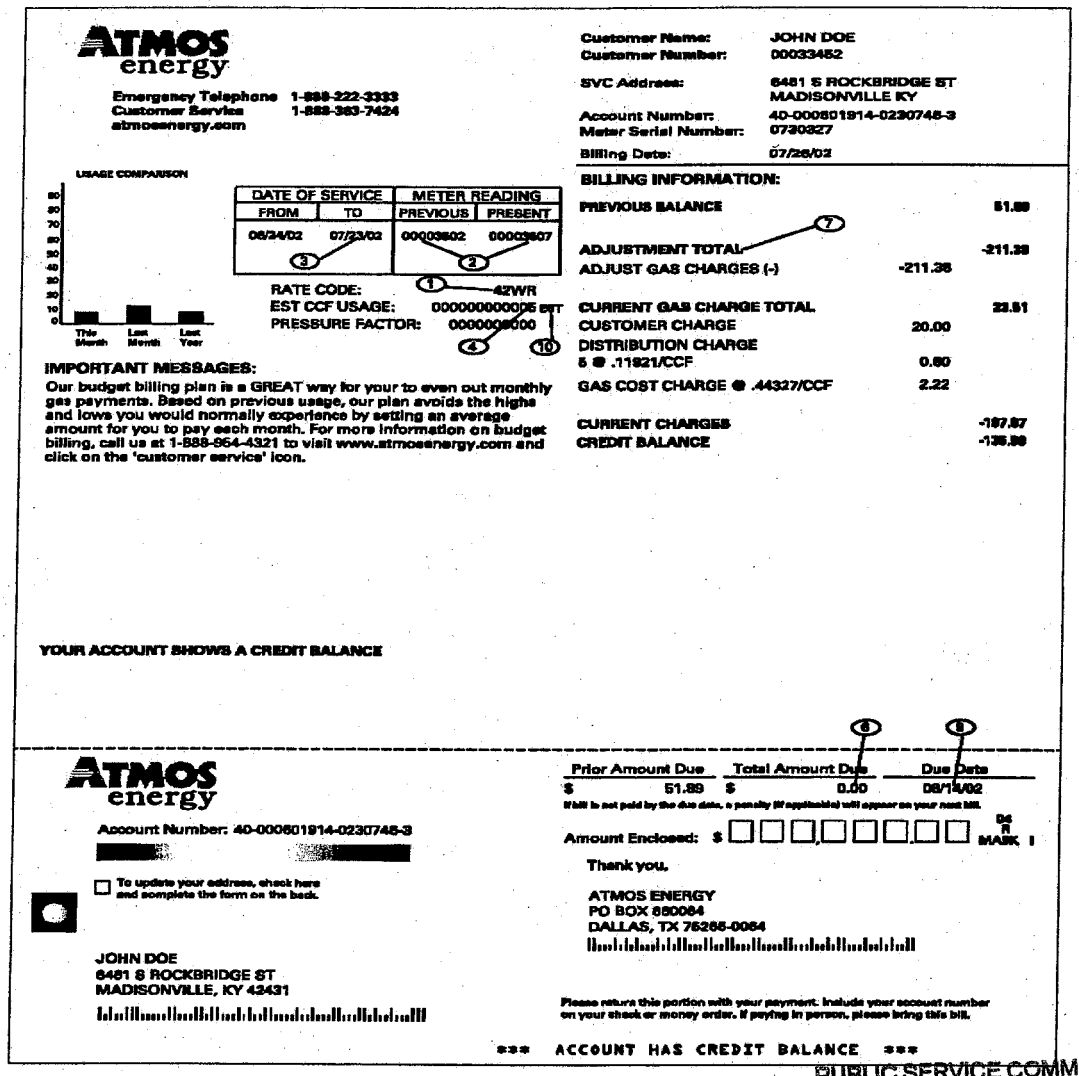
ATMOS ENERGY CORPORATION

Rules and Regulations

4. Billings

a) The following is an example of the monthly bills sent to the Company's residential customers:



ATMOS energy

Emergency Telephone 1-888-322-3333
Customer Service 1-888-383-7424
atmosenergy.com

Customer Name: JOHN DOE
Customer Number: 00033452
SVC Address: 6481 S ROCKBRIDGE ST MADISONVILLE KY
Account Number: 40-000601914-0230748-3
Meter Serial Number: 0730327
Billing Date: 07/26/02

USAGE COMPARISON

DATE OF SERVICE		METER READING	
FROM	TO	PREVIOUS	PRESENT
06/24/02	07/23/02	00003802	00003807

RATE CODE: 42WR
EST CCF USAGE: 0000000000005 EST
PRESSURE FACTOR: 0000000000

BILLING INFORMATION:

PREVIOUS BALANCE		51.89
ADJUSTMENT TOTAL		-211.38
ADJUST GAS CHARGES (-)	-211.38	
CURRENT GAS CHARGE TOTAL		23.51
CUSTOMER CHARGE	20.00	
DISTRIBUTION CHARGE 5 @ .11921/CCF	0.60	
GAS COST CHARGE @ .44327/CCF	2.22	
CURRENT CHARGES		-137.87
CREDIT BALANCE		-136.98

IMPORTANT MESSAGES:
Our budget billing plan is a GREAT way for your to even out monthly gas payments. Based on previous usage, our plan avoids the highs and lows you would normally experience by setting an average amount for you to pay each month. For more information on budget billing, call us at 1-888-964-4321 to visit www.atmosenergy.com and click on the 'customer service' icon.

YOUR ACCOUNT SHOWS A CREDIT BALANCE

ATMOS energy

Account Number: 40-000601914-0230748-3

To update your address, check here and complete the form on the back.

JOHN DOE
6481 S ROCKBRIDGE ST
MADISONVILLE, KY 42431

Prior Amount Due	Total Amount Due	Due Date
$ 51.89	$ 0.00	08/14/02

If bill is not paid by the due date, a penalty (if applicable) will appear on your next bill.

Amount Enclosed: $

Thank you.

ATMOS ENERGY
PO BOX 650064
DALLAS, TX 75265-0064

Please return this portion with your payment. Include your account number on your check or money order. If paying in person, please bring this bill.

*** ACCOUNT HAS CREDIT BALANCE ***

1. Class of Service (Please See Sheet No. 7)
2. Present and last Preceding Meter Reading
3. Date of Present Reading
4. Number of Units Consumed
5. Meter Constant If Any – Not Applicable to Residential Service
6. Net Amount for Service Rendered
7. Any Adjustments
8. Gross Amount of Bill – Not Applicable to Residential Service
9. Date After Which a Penalty May Apply
10. Indicates an Estimated or Calculated Bill

Note: Large Volume Commercial and Industrial Billing Will Display the Above Information But May Be Presented In A Different Format.

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ATMOS ENERGY CORPORATION

Rules and Regulations

b) A conversion factor will be shown on the billing form when the basis of measurement for meter registration is different from the billing basis of measurement.

c) The Company will read customer meters at least every two months, except during the months of November through April during which time meters will be read monthly unless prevented by reasons beyond the Company's control. However, customer-read meters shall be read by the Company at least once during each calendar year. Records shall be kept by the Company to insure that this information is available to Commission staff and any customer requesting this information. If, due to reasons beyond its control, the Company is unable to read a meter in accordance with this subsection, the Company shall record the date and time the attempt was made, if applicable, and the reason the Company was unable to read the meter.

d) The gas consumed shall be measured by a meter or meters to be installed by the Company upon the customer's premises at a point most accessible or convenient for the Company. Except where multiple meters were installed at the Company's option each meter on the customer's premises shall be considered separately in calculating the amount of any bills. Meters include all measuring instruments and equipment.

e) Monthly consumption of unmetered gas used for an outdoor gas light, as approved by the Company, will be calculated to be 2,000 cubic feet per month per mantle for upright mantles and for each pair of inverted mantles. On special models of gas lights where gas consumption is greater than those referred to above, the Company shall estimate the monthly consumption to the closest 100 cubic feet and bill customers that equal amount each month. Such consumption shall be billed under the appropriate rate applicable to the customer.

f) Bills for gas service will be rendered monthly unless otherwise specified. Bills are due upon rendition and the past due date will be shown on the bill.

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ATMOS ENERGY CORPORATION

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g) When the Company is unable to read the meter after a reasonable effort, or where the meter fails to operate, the customer will be billed on an estimated basis at the average of three (3) immediately preceding months, or similar months of utilization, and the billing adjusted as necessary when the meter is read.

5. Deposits

a) The Company may require from any customer a minimum cash deposit or other guaranty to secure payment of bills, except from those customers qualifying for service reconnection under Section 12 of these Rules and Regulations. The amount of a cash deposit shall not exceed two-twelfths (2/12) of the estimated annual bill of a customer who is to be billed on a monthly basis, three-twelfths (3/12) where bills are rendered bimonthly, or four-twelfths (4/12) where bills are rendered quarterly. If actual usage data is available for the customer at the same or similar premises, the deposit amount shall be calculated using the customer's average bill for the most recent twelve (12) month period. If actual usage data is not available, the deposit amount shall be based on the average bills of similar customers and premises in the system.

b) A deposit will be required from a customer or applicant who:

1. Lacks a satisfactory credit or payment history.
2. Was previously terminated due to non-payment for natural gas service.
3. Is not the property owner (a renter of the premises to be served).
4. Is requesting service for a mobile home.

c) If a customer has been late on two (2) or more payments in the last twelve (12) months and does not have a deposit on file with the Company, the Company may require that a deposit be made.

d) If a substantial change in usage has occurred, the Company may require that an additional deposit be made. No additional or subsequent deposit shall be required of residential customers whose payment record is satisfactory, unless the customer's classification of service changes.

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ATMOS ENERGY CORPORATION

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e) The Company will issue to every customer from whom a deposit is collected a receipt of deposit. The receipt will show the name of the customer, location of the service or customer, account number, date, and amount of deposit. If the deposit amount changes, the Company will issue a new receipt of deposit to the customer.

f) Except for Winter Hardship Reconnections (as provided by Section 12 of these Rules and Regulations) customer service may be refused or discontinued if payment of requested deposit is not made.

g) Interest will accrue on all deposits at a rate prescribed by law, beginning on the date of deposit. Interest accrued will be refunded to the customer or credited to the customer's bill on an annual basis, except that the Company will not be required to refund or credit interest on deposits if the customer's bill is delinquent on the anniversary of the deposit date. If interest is paid or credited to the customer's bill prior to twelve (12) months from the date of deposits, the payment or credit shall be on a prorated basis. Upon termination of service, the deposit, any principal amounts, and interest earned and owing will be credited to the final bill with any remainder refunded to the customer.

When a deposit is required from a customer it will be held for twelve (12) months, or until service is discontinued, unless one of the following has occurred: (a) service has been terminated for non-payment of services or (b) the customer has been late on two (2) or more payments in the last twelve (12) months.

6. Special Charges

The Company may make special nonrecurring charges, approved by the Commission, to recover customer-specific costs incurred to benefit specific customers. Listed below are the special charges included in the Company's tariff and a short description of the related service performed or action taken by the Company. See the Special Charges, Sheet No. 68 for the amount of the charge.

a) Meter Set. A meter set charge may be assessed for a new service or re-set, or temporary service.

b) Turn On. A turn on charge may be assessed for connecting service which has been terminated or idle at a given premises for reasons other than nonpayment of bills or violation of the Company or Commission regulations.

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ATMOS ENERGY CORPORATION

Rules and Regulations

c) Read. A read charge may be assessed for the establishment of new service where only a meter read is required.

d) Reconnect Delinquent Service. A reconnect delinquent service charge may be assessed to reconnect a service which has been terminated for nonpayment of bills or violation of the Company or Commission regulations. Customers qualifying for service reconnection under Section 12 of these Rules and Regulations shall be exempt from reconnect charges.

e) Seasonal Charge. A seasonal charge may be assessed when the customer's service has been disconnected at his request and at any time subsequently within (12) months is reconnected at the same or any other premises.

f) After Hours Charge. An additional charge shall be applied to any special service activity, including reconnects for delinquent service, initiated at the customer's request outside normal business hours such as at night, on weekends or holidays. The Company shall advise the customer of the applicable after hours charge upon initiation of the service request and offer the customer the alternative to perform the requested activity during normal business hours, including reconnects for delinquent service, as a means to avoid the after hours charge.

g) Special Meter Reading Charge. This charge may be assessed when a customer requests that a meter be reread and the second reading shows that the original reading was correct. No charge shall be assessed if the original reading was incorrect. This charge may also be assessed when a customer who reads his own meter fails to read the meter for three (3) consecutive months, and it is necessary for a Company representative to make a trip to read the meter.

(No such charge may be assessed until the amount of the charge is approved or otherwise accepted by the Commission).

h) Meter Resetting Charge. A charge may be assessed for resetting a meter if the meter has been removed at the customer's request.

i) Meter Test Charge. This charge may be assessed if a customer requests the meter be tested pursuant to Section 13 and 807 KAR 5:006, section 18, and the tests show the meter is not more than two (2) percent fast. No charge shall be made if the test shows the meter is more than two (2) percent fast.

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ATMOS ENERGY CORPORATION

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j) Returned Check Charge. A returned check charge may be assessed if a check accepted for payment of a Company bill is not honored by the customer's financial institution.

k) Late Payment Charge. A late payment charge may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received will first be applied to the bill for services rendered. Additional penalty charges will not be assessed on unpaid penalty charges.

7. Customer Complaints to the Company

Upon complaint to the Company by a customer at the Company's office, by telephone, or in writing, the Company will make a prompt and complete investigation and advise the complainant of its findings. If a written complaint or a complaint made in person at the Company's office is not resolved, the Company will provide written notice to the complainant of his right to file a complaint with the Commission, and will provide him with the address and telephone number of the Commission. If a telephone complaint is not resolved, the Company will provide at least oral notice to the complainant of his right to file a complaint with the Commission and the address and telephone number of the Commission.

8. Bill Adjustments

a) If upon periodic test, request test, or complaint test, a meter in service is found to be more than two (2) percent fast, additional tests shall be made to determine the average error of the meter. The test will be made in accordance with Commission regulations applicable to the type of meter involved.

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b) If test results on a customer's meter show an average error greater than two (2) percent fast or slow, or if a customer has been incorrectly billed for any other reason, except in an instance where the Company has filed a verified complaint with the appropriate law enforcement agency alleging fraud or theft by a customer, the Company will immediately determine the period during which the error has existed and will recompute and adjust the customer's bill. The adjustment will provide either a refund to the customer or collect an additional amount of revenue from the underbilled customer. The Company will readjust the account based upon the period during which the error is known to have existed. If the period during which the error existed cannot be determined with reasonable precision, the time period will be estimated using such data as elapsed time since the last meter test, if applicable, and historical usage data for the customer. If that data is not available, the average usage of similar customer loads shall be used for comparison purposes in calculating the time period. If the customer and the Company are unable to agree on an estimate of the time period during which the error existed, the Commission will determine the issue. In all instances of customer overbilling the customer's account will be credited or the overbilled amount refunded at the discretion of the customer within thirty (30) days after the final meter test results. The Company will not require customer repayment of any underbilling to be made over a period shorter than a period equal to the underbilling period.

c) The Company will monitor customers' usage at least annually by comparing the volume against a high and low parameter. This parameter is based on the customer's usage from last month and the same billing period last year adjusted for weather conditions.

The above procedures are designed to draw the Company's attention to unusual deviations in a customer's usage and provide reasonable means by which the Company can determine the reasons for the unusual deviation. If a customer's usage is unduly high and the deviation is not otherwise explained, the Company will test the customer's meter to determine whether the meter shows an average error greater than two (2) percent fast or slow.

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d) If the Company's procedure for monitoring usage indicates that an investigation of a customer's usage is necessary, the Company will notify the customer in writing either during or immediately after the investigation of the reason for the investigation and of the findings of the investigation. If knowledge of a serious situation requires more expeditious notice, the Company will notify the customer by the most expedient means available.

e) Customer accounts shall be considered to be current while a dispute is pending as long as the customer continues to make payments for the disputed period in accordance with historic usage or if that data is not available, the average usage of similar customer loads, and stays current on subsequent bills.

9. Customer's Request for Termination of Service

a) Any customer desiring service termination or changed from one address to another shall give the Company at least three (3) working days notice in person, in writing, or by telephone, provided such notice does not violate contractual obligations or tariff provisions. The customer shall not be responsible for charges for service beyond the three (3) day notice period if the customer provides reasonable access to the meter during the notice period. If the customer notifies the Company of his request for termination by telephone, the burden of proof is on the customer to prove that service termination was requested if a dispute arises.

b) Upon request that service be reconnected at any premises subsequent to the initial installation or connection to its service lines, the Company may charge the applicant a reconnect fee, as set out in the Miscellaneous Charges Rate, Sheet No. 68.

c) The Company may "soft close" the account of any residential customer requesting service termination. Soft close is the closing of a residential customer's account in order to cease billing without physically disconnecting service to the premises in order to facilitate initiating service for the next residential customer at the same premises. The Company will advise the customer that service may be left on and will instruct the customer to lower all gas appliance thermostats. The Company will also advise the customer that if any gas appliances are to be removed, the line servicing the required appliance must be properly plugged or capped and that a qualified plumber should be contacted. The Company will continue to meter and read consumption at a premises under soft close in the normal manner as provided under Section 4 of these Rules and Regulations. Neither the customer terminating service nor the customer initiating service shall be liable for any gas metered while the premises is under soft close. Within 30 days of service under soft close, the account shall be physically disconnected, unless the Company enters into an agreement with a party responsible for the premises (such as a landlord, homeowner, real estate agent, etc.) moving the account to that party's name. (N)

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Rules and Regulations

10. Partial Payment and Budget Payment Plans

a) The Company will negotiate and accept reasonable partial payment plans at the request of residential customers who have received a termination notice for failure to pay as provided in Section 11 of these Rules and Regulations, except that the Company is not required to negotiate a partial payment plan with a customer who is delinquent under a previous partial payment plan. Partial payment plans will be mutually agreed upon and subject to the conditions in this subsection and Section 11 of these Rules and Regulations. Partial payment plans which extend for a period longer than thirty (30) days shall be in writing and will advise customers that service may be terminated without additional notice if the customer fails to meet the obligations of the plan.

b) The Company has a budget plan available for the convenience of its customers. The plan is designed to help equalize payment for gas service over a period of twelve months. The budget payment plan amount will be determined based on historical or estimated usage and billing amounts. Levelizing adjustments will be made as frequently as each month. A customer may elect to enter the plan at any time during the year. (C)

To be accepted as a budget customer, the account balance must be paid in total before the customer is put on budget billing. It is understood that this budget billing plan will continue until the customer notifies the Company in writing or by telephone to discontinue the plan or the customer defaults in payment of such plan.

c) For customers presenting certificates under the provision of Section 11 (c) and Section 12 of these Rules and Regulations, the Company will negotiate partial payment plans based upon the customer's ability to pay, requiring the accounts to become current not later than the following October 15. Such plans may include, but are not limited to, budget payment plans and plans that defer payment of a portion of the arrearage until after the end of the heating season through a schedule of unequal payments.

PUBLIC SERVICE COMMISSION
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PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
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ISSUED: April 10, 2003 **EFFECTIVE:** May 2, 2003

ISSUED BY: Gary L. Smith Vice President – Marketing & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

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11. Company's Refusal or Termination of Service

a) The Company may refuse or terminate service to a customer only under the following conditions, except as provided in subsections (b) and (c) of this section:

1) The Company may terminate service for failure to comply with applicable tariffed rules or Commission regulations pertaining to that service. However, the Company will not terminate or refuse service to any customer for noncompliance with its tariffed rules or Commission regulations without first having made a reasonable effort to obtain customer compliance. After such effort by the Company, service may be terminated or refused only after the customer has been given at least ten (10) days written termination notice.

2) If a dangerous condition relating to the Company's service, which could subject any person to imminent harm or result in substantial damage to the property of the Company or others, is found to exist on the customer's premises, the service will be refused or terminated without advance notice. The Company will notify the customer immediately in writing and, if possible, orally of the reasons for termination or refusal. However, if the dangerous condition, such as gas piping or a gas-fired appliance, can be effectively isolated or secured from the rest of the system, the Company may discontinue service only to the affected piping or appliance.

3) When a customer refuses or neglects to provide reasonable access to the premises for installation, operation, meter reading, maintenance or removal of utility property, the Company may terminate or refuse service. Such action will be taken only when corrective action negotiated between the Company and the customer has failed to resolve the situation and after the customer has been given at least ten (10) days written notice of termination.

4) Except as provided in Section 12 of these Rules and Regulations, the Company will not be required to furnish new service to any customer who is indebted to the Company for service furnished or other tariffed charges until that customer has paid his indebtedness.

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ATMOS ENERGY CORPORATION

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5) The Company may refuse or terminate service to a customer if the customer does not comply with state, municipal or other codes, rules and regulations applying to such service. The Company may terminate service only after ten (10) days written notice is provided, unless ordered to terminate immediately by a governmental official.

6) Company may terminate service at point of delivery for nonpayment of charges incurred for utility service at that point of delivery. Failure to receive a bill does not exempt a customer from those provisions. However, the Company will not terminate service to any customer for nonpayment of bills for any tariffed charge without first having mailed or otherwise delivered an advance termination notice.

   When the Company is proposing to terminate customer service for nonpayment it will mail or otherwise deliver to that customer ten (10) days written notice of intent to terminate. Under no circumstances will service be terminated before twenty-seven (27) days after the mailing date of the original unpaid bill. The termination notice to residential customers will include written notification to the customer of the existence of local, state, and federal programs providing for the payment of utility bills under certain conditions, and of the address and telephone number of the Department of Community-Based Services of the Cabinet for Families and Children to contact for possible assistance.

7) The Company may terminate service to a customer without advance notice if it has evidence that a customer has obtained unauthorized service by illegal use or theft. Within twenty-four (24) hours after such termination, the Company will send written notification to the customer of the reasons for termination or refusal of service upon which the Company relies, and of the customer's right to challenge the termination by filing a formal complaint with the Commission. This right of termination is separate from and in addition to any other legal remedies which the Company may pursue for illegal use or theft of service. The Company will not be required to restore service until the customer has complied with all tariffed rules of the Company and laws and regulations of the Commission.

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8) The termination notice requirements of this subsection shall not apply if termination notice requirements to a particular customer or customers are otherwise dictated by the terms of a special contract between the Company and the customer which has been approved by the Commission.

9) The Company reserves the right to refuse or to defer full service to an applicant where the existing mains are inadequate to serve the applicant's requirements without adversely affecting the service to customers already connected and being served.

b) The Company will not terminate service to a customer if the following exist:

1) If following receipt of a termination notice for nonpayment, but prior to the actual termination of service, there is delivered to the Company payment of the amount in arrears, service will not be terminated.

2) Service will not be terminated for nonpayment if the customer and the Company have entered into a partial payment plan in accordance with Section 10 of these Rules and Regulations and the customer is meeting the requirements of the plan.

3) Service will not be terminated for nonpayment for thirty (30) days beyond the termination date if a doctor, registered nurse, or a public health officer certifies in writing that termination of service will aggravate a debilitating illness or infirmity on the affected premises. The Company may refuse to grant consecutive extensions for medical certificates past the original thirty (30) days unless the certificate is accompanied by an agreed upon partial payment plan per Section 10 (c) of these Rules and Regulations. The Company will not require a new deposit from a customer who presents to the Company a medical certificate certified in writing by a doctor, registered nurse, or public health official.

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c) The Company will not terminate service for thirty (30) days beyond the termination date if the Kentucky Cabinet for Families and Children (or its designee) certifies in writing that the customer is eligible for the Cabinet's Energy Assistance Program or household income is at or below 110 percent of the poverty level, and the customer presents such certificate to the Company. Customers eligible for such certification from the Cabinet for Families and Children will have been issued a termination notice between November 1 and March 31. Certificates shall be presented to the Company during the initial ten (10) day termination notice period. As a condition of the thirty (30) day extension, the customer will exhibit good faith in paying his indebtedness by making a payment in accordance with his ability to do so. In addition, the customer will agree to a repayment plan in accordance with Section 10 (c) of these Rules and Regulations which will permit the customer to become current in the payment of his bill as soon as possible but no later than October 15. The Company will not require a new deposit from a customer who presents a certificate to the Company, certified by the Kentucky Cabinet for Families and Children (or its designee), that the customer is eligible for the Cabinet's Energy Assistance Program or whose household is at or below 110 percent of the poverty level.

12. <u>Winter Hardship Reconnection</u>

a) Notwithstanding the provision of 807 KAR 5:006 section 13 (4) to the contrary, the Company shall reconnect service to a residential customer who has been disconnected for nonpayment of bills and who applies for such reconnection during the months from November through March if the customer or his agent:

1) Presents a certificate of need from the Cabinet for Families and Children, Department for Community-Based Services, including a certificate that a referral for weatherization services has been made in accordance with subsection (c) of this section.

2) Pays one-third (1/3) of his outstanding bill or $200, whichever is less.

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3) Agrees to a repayment schedule which would cause the customer to be current in the payment of his bill, as soon as possible but no later than October 15. However, if, at the time of application for reconnection, the customer has an outstanding bill in excess of $600 and agrees to a repayment plan that would pay current charges and makes a good faith reduction in the outstanding bill consistent with his ability to pay, then such plan will be accepted.

4) The Company will not require a new deposit from a customer whose service is reconnected due to paragraphs 1, 2 or 3 of this subsection.

b) Federal and stateside energy assistance programs are administered by the Kentucky Cabinet for Families and Children, Department for Community-Based Services. A customer who is eligible for energy assistance under the Department's guidelines or is certified as being in genuine financial need, which is defined as any household with gross income at or below 110 percent of the poverty level, may obtain a certificate of need from the Department to be used in obtaining a service reconnection from the Company.

c) Customers obtaining a certificate of need under this section will agree to accept referral to and utilize weatherization services which are administered by the Cabinet for Families and Children. The provisions and acceptance of weatherization services is contingent on the availability of funds and other program guidelines. Weatherization services include, but are not limited to, weather stripping, insulation, and caulking.

d) Customers who are current in their payment plans under this section will not be disconnected.

13. <u>Request Tests</u>

a) The Company will make a test of any meter upon written request of any customer if the request is not made more frequently than once each twelve (12) months. The customer will be given the opportunity to be present at the requested test. If the test shows that the meter was not more than two (2) percent fast, the Company may make a reasonable charge for the test. The amount of the charge will be equal to the reconnect charge shown on Miscellaneous Charges Rate, Sheet No. 68.

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b) After having first obtained a test from the Company, any customer of the Company may request a meter test by the Commission upon written application. Such request shall not be made more frequently on one (1) meter than once each twelve (12) months.

14. Access to Property

The Company shall at all reasonable hours have access to meters, service connections and other property owned by it and located on customer's premises for purposes of installation, maintenance, meter reading, operation, replacement or removal of its property at the time service is to be terminated. Any employee of the Company whose duties require them to enter a customer's premises will wear a distinguishing uniform or other insignia, identifying him as an employee of the Company, or show a badge or other identification which will identify him as an employee of the Company.

15. Assignment of Contract

The benefits and obligations of any service application or contract shall begin when the Company commences to supply gas service. It shall insure to and be binding upon the successors and assigns, survivors and executors or administrators, as the case may be, of the original parties thereto, respectively, for the full term thereof. However, no application, agreement or contract for service may be assigned or transferred without the written consent or approval of the Company.

When the gas supply has been disconnected for non-payment of bills or other violation of the Company's Rules and Regulations the service will not be restored at the same location, or connected at another location, for the same or related occupants under a different contract or name when it is evident the change of name is a subterfuge designed to defraud or penalize the Company.

16. Renewal of Contract

If, upon the expiration of any service contract for a specified term, the customer continues to use the service, the contract (unless otherwise provided therein) will be automatically renewed and extended for successive periods of one year each, subject to termination at the end of any year upon thirty (30) days written notice by either Party.

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17. Turning Off Gas Service and Restoring Same

The gas service may be turned off at the meter when justified by the customer or his agent or any constituted authorities but no person, unless in the employ of the Gas Company or having permission from the Gas Company, shall turn the gas on or restore service.

18. Special Rules for Customers Serviced from Transmission Mains

In addition to the Standard Rules and Regulations the following special Rules and Regulations shall apply to all customers served directly from a high pressure transmission main which is the property of the Company or one of its suppliers:

a) All service connections to a high pressure transmission line shall be subject to the special requirements, consent and approval of the owner of said line. In case the connection is to a line not the property of the Company, proper approval must be obtained from both the owner and the Company.

b) An applicant may be required to execute a special form application and service contract or agreement acceptable to both the owner of the transmission line and the Company prior to the time the tap or connection is made. If the transmission line is owned by the Company only the approval and acceptance of the Company is necessary.

c) All meters, regulators, equipment and connections necessary to serve the customer from a high pressure transmission line shall be installed on the customer's premises at or as near the transmission line as is practical.

d) Suitable site or location for the equipment owned by the Company or the owner of the line will be provided and furnished by the customer without any expense to the Company or owner of the line. The Company or owner of the line will have the right of ingress, egress and regress to and from this location at any time without any expense or charges from the customer.

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e) The customer's piping extending from the outlet of the meter shall be installed and maintained by the customer at his expense.

f) The customer shall notify the Company promptly of any leaks in the transmission line or equipment, also, of any hazards or damages to same.

g) Customers may be required to send in monthly meter readings to the Company on suitable forms provided by the Company.

19. Owners Consent

In case the customer is not the owner of the premises where service is to be provided, it will be the customer's responsibility to obtain from the property owner or owners the necessary consent to install and maintain in or on said premises all such piping and other equipment as are required or necessary for supplying gas service to the customer whether the piping and equipment be the property of the customer or the Company.

The Company will not require a prospective customer to obtain easements or rights-of-way on property not owned by the prospective customer as a condition for providing service. The cost of obtaining easements or rights-of-way will be included in the total per foot cost of an extension, and will be apportioned according to Section 28 in these Rules and Regulations.

20. Customer's Equipment and Installation

a) The customer shall furnish, install and maintain at his expense the necessary customer's service line extending from the Company's service connection at the curb or property line to the building or place of utilization of the gas.

b) The installation of the customer's service line shall be made in accordance with the requirement of the constituted authorities and the Company's specifications covering locations, installation, kind and size of pipe, type of pipe coating or wrapping and method of connecting the joints of pipe. The location shall be the point of easiest access to the Company from its facilities and the Company shall be consulted and its approval obtained before the installation is made.

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c) In the installation of the service line the customer shall not install any tees or branch connection. The customer must leave the trench open and pipe uncovered until it is examined by an inspector of the Company and shown to be free from any irregularity or defect. The customer shall not make any change in or interfere with his service line without the written consent of the Company. The Company will inspect the condition of the meter and service connection before making service connections to a new customer. The customer will be afforded the opportunity to be present at such inspections. The Company will not be required to render service to any customer until any defects in the customer-owned portion of the service facilities have been corrected.

d) In all cases where practical the customer's service line will not be installed entering a building underground but will be brought up out of the ground with a riser and entrance made to the building through the wall or foundation a minimum of six (6) inches above the ground.

e) The customer shall furnish, install and maintain at his expense the necessary house piping, connections and appliances. It shall also be the responsibility of the customer to install and maintain same in accordance with the requirements and specifications of all local, state and national codes and regulations applicable to his specific usage and occupancy.

f) All of the customer's service line, piping, connections and appliances shall be suitable for the purposes thereof and shall be maintained by the customer at his expense at all times in a good, safe and serviceable condition.

g) The Company will inspect the condition of the meter and service connection before making service connections to a new customer so that prior or fraudulent use of the facilities will not be attributed to the new customer. The new customer will be afforded the opportunity to be present at such inspections. The Company will not be required to render service to any customer until any defects in the customer-owned portion of the service facilities have been corrected.

h) The Company will not assume any responsibility and will not be held liable in any way for the making of any periodic inspection of the customer's service line, piping, connections or appliances, or for the customer's failure to properly and safely install, operate and maintain same.

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ATMOS ENERGY CORPORATION

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21. Company's Equipment and Installation

The Company will furnish, install and maintain at its expense the necessary service connection extending from its main to the customer's nearest curb or property line. The location of this service connection will be made at the discretion and judgment of the Company.

The Company will furnish, install and maintain at its expense the necessary meter, regulator and connections. The Company's equipment will be located at or near the main, service connection, property line, near or in the building, at the discretion or judgment of the Company. Whenever practical, in the judgement of the Company, the location will be as near the supply main as possible and outside of buildings. A suitable site or location for the meter, regulator and connections shall be provided by the customer at no cost to the Company. The title to this equipment shall remain in the Company, with the right to install, operate, maintain and remove same, and no charge shall be made by the customer for use of the premises as occupied or used.

22. Protection of Company's Property

All meters, piping and other appliances and equipment furnished by or at the expense of the Company, which may at any time be in or on customer's premises shall, unless otherwise expressly provided herein, be and remain the property of the Company. The customer shall protect such property from loss or damage.

23. Customer's Liability

The customer shall assume all responsibility for the gas service in or on the customer's premises, at and from the point of delivery of gas, and for all piping, appliances and equipment used in connection therewith which are not the property of the Company. The customer will protect and save the Company harmless from all claims for injury or damage to persons or property occurring on the customer's premises or at and from the point of delivery of gas occasioned by such gas or gas service and equipment, except where said injury or damage will be shown to have been caused solely by the negligence of the Company.

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24. Notice of Escaping Gas or Unsafe Conditions

Immediate notice must be given by the customer to the Company if any escaping gas or unsafe conditions are detected or any defects or improper installations are discovered in piping and equipment of either the Company or the customer which are on the customer's premises.

No flames or lights are to be taken near any escape of gas and the gas must be shut-off at the meter cock or valve until the hazard is eliminated and the gas service is not to be turned on again except by a Company employee.

The Company will not be responsible or assume any liability for any injury, loss or damage which may arise from the carelessness or negligence of the customer or his agent or representatives.

25. Special Provisions – Large Volume Customers

Industrial, Commercial or other customers using large volumes of gas on a varying basis shall install and maintain at their expense adequate piping and suitable regulating and control equipment to provide reasonable and practical limitation of intermittence or fluctuation in the pressure, volume or flow of gas. The customer shall so regulate and control their operations and use of gas so as not to interfere with gas service being furnished to them or to any other customers, or with the proper and accurate metering of gas at their or any other location.

26. Exclusive Service

Except in cases where the customer has a special contract with the Company for reserve or auxiliary service, no other fuel service shall be used by the customer on the same installation in conjunction with the Company's service connection, either by means of valves or any other connection.

The customer shall not sell the gas purchased from the Company to any other customer, company, or person. The customer shall not deliver gas purchased from the Company to any connection wherein said gas is to be used off of customer's premises or by persons over whom customer has no control.

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ATMOS ENERGY CORPORATION

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27. Point of Delivery of Gas

The point of delivery of gas supplied by the Company shall be at the point where the gas passes from the pipes of the Company's service connection in to the customer's service line or pipe or at the outlet of the meter, whichever is nearest the delivery main of the Company.

28. Distribution Main Extensions

a) The Company will extend an existing distribution main up to one hundred (100) feet for each single customer provided the following criteria is met:

1) The existing main is of sufficient capacity to properly supply the additional customer(s);

2) Provided that the customer(s) contracts to use gas on a continuous basis for one (1) year or more; and,

3) Provided the potential consumption and revenue will be of such amount and permanence as to warrant the capital expenditures involved to make the investment economically feasible.

b) Whenever an extension exceeds one hundred (100) feet per customer, the Company will enter into an agreement with the customer(s) or subscriber(s). The agreement will provide for the extension on a cost per foot basis with the additional amount to be deposited with the Company by the customer(s) or subscriber(s). The agreement will contain provisions for a proportionate and equitable refund in the event other customers are connected to the extension within a ten (10) year period. Refunds shall be made only after the customer(s) has used gas service for a minimum continuous period of one (1) year. The Company reserves the right to determine the length of the extension, to specify the pipe size and location of the extension, and to construct the extension in accordance with its standard practices. Title to all extensions covered by agreements shall be and remain in the Company and in no case shall the amount of any refunds exceed the original deposit. Any further or lateral extension shall be treated as a new and separate extension.

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ATMOS ENERGY CORPORATION

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c) Nothing contained herein shall be construed as to prohibit the Company from making at its expense greater extensions to its distribution mains or the granting of more favorable and/or different terms in addition to those herein prescribed should its judgement so dictate, provided like extensions are made for other customers or subscribers under similar conditions.

29. Municipal Franchise Fees

As to service within any county, city, town, urban county or other taxing district (herein referred to as the "franchise area") with respect to which the Company is required to pay to the county, city, town, urban county or other taxing district franchise fees or other payments made in consideration for the Company's use of public streets, properties and rights-of-way located within the applicable franchise area (herein collectively referred to as "franchise fees") based in any manner on a percentage of the amount of revenues received by the Company from service in such area, such franchise fees shall be recovered from the customers receiving service in that franchise area in accordance with provisions of this Section 29.

The charge to customers for the franchise fees shall be determined by multiplying the applicable franchise fee percentage times the customer's bill as otherwise determined under the Company's applicable tariff rate. The charge shall be added to each customer billing for all applicable classes of service in the franchise area. The amount of this charge shall be listed as a separate item on each customer's bill, shall show the amount of the charge and shall designate the unit of government to which the payment is due.

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ATMOS ENERGY CORPORATION

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30. Continuous or Uniform Service

The Company will endeavor to supply gas continuously and without interruption, however, the Company shall not be responsible in damages or otherwise for any failure to supply gas or for any interruptions of the supply when such a failure is without willful fault or neglect on its part.

The Company cannot and does not guarantee either a sufficient or an adequate supply, or uniform pressure of the gas supplied. The Company shall not be liable for any damage or loss resulting from inadequate or interrupted supply or from any pressure variations when such conditions are not due to willful fault or neglect on its part.

31. Measurement Base

The rates of the Company are based upon gas delivered to the customer on a basis of four (4) ounces per square inch above an assumed atmospheric pressure of fourteen and four tenths (14.4) pounds per square inch, or fourteen and sixty-five hundredths (14.65) pounds per square inch absolute pressure, at an assumed temperature of sixty (60) degrees Fahrenheit. However, the Company reserves the right to correct as necessary the actual temperature to sixty (60) degrees Fahrenheit basis. All gas measured at pressures higher than the standard pressure for low pressure distribution systems shall be corrected to a pressure base of fourteen and sixty-five hundredths (14.65) pounds per square inch absolute.

32. Character of Service

The Company will normally supply natural gas having a heating value of approximately one thousand (1,000) Btu per cubic foot and specific gravity of approximately six tenths (0.6). However, when it is necessary to supplement the supply of natural gas the Company reserves the right, at its discretion, to supply an interchangeable mixture of vaporized liquefied petroleum gas and air, or a combination of same with natural gas.

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ATMOS ENERGY CORPORATION

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33. Curtailment Order

In cases of impairment of gas supply or distribution system capacity, or partial or total interruptions and when it appears that the Company is, or will be, unable to supply the requirements of all of its customers in any system or segment thereof, the Company shall curtail gas service to its customers in the manner set forth below.

a) Definitions:

Residential – Service to customers for residential purposes including housing complexes and apartments.

Commercial – Service to customers engaged primarily in the sale of goods or services including institutions and local and federal agencies for uses other than those involving manufacturing.

Industrial – Service to customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product, including the generation of electric power for sale.

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ATMOS ENERGY CORPORATION

Rules and Regulations

b) Priorities of Curtailment:

Sales Service

The Company may curtail or discontinue sales service in whole or in part on a daily, monthly or seasonal basis in any purchase zone in accordance with the following priorities, starting with Priority 8 and proceeding in descending numerical order.

High Priority

Priority 1. Residential and services essential to the public health where no alternate fuel exists (Rate G-1)

Priority 2. Small commercials less than 50 Mcf per day (Rate G-1).

Priority 3. Large commercials over 50 Mcf per day not included under lower priorities (Rates G-1, LVS-1)

Priority 4. Industrials served under Rate G-1 or LVS-1.

Low Priority

Priority 5. Customers served under Rates G-2 or LVS-2 other than boilers included in Priority 6.

Priority 6. Boiler loads shall be curtailed in the following order (Rates G-2 or LVS-2).

A – Boilers over 3,000 Mcf per day.
B – Boilers between 1,500 Mcf and 3,000 Mcf per day.
C – Boilers between 300 Mcf and 1,500 Mcf per day.

Priority 7. Imbalance sales service under Rate T-3 and Rate T-

Priority 8. Flex sales transactions.

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PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
BY EXECUTIVE DIRECTOR

ISSUED: August 9, 2002 **EFFECTIVE:** October 1, 2002

(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

ISSUED BY: William J. Senter Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Rules and Regulations

The Company and a customer may agree, by contract, to a lower curtailment priority than would otherwise apply under the foregoing curtailment sequence.

If the gas supply is inadequate to fulfill only the partial requirements of a priority category then curtailment to customers in that category will be administered on a continuing basis.

Transportation Service

Transportation services will be curtailed under the following conditions:

1 – Due to capacity constraints on the Company's system.
2 – Due to capacity constraints on the transporter's system.
3 – During temporary gas supply emergency on the Company's system.
4 – When the Company is unable to confirm that the customer's gas supply is actually being delivered to the system.

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SECTION 9 (1)
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EXECUTIVE DIRECTOR

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ISSUED BY: William J. Senter Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Rules and Regulations

c) Penalty for Unauthorized Overruns

In the event a customer fails in part or in whole to comply with a Company Curtailment Order either as to time or volume of gas used or uses a greater quantity of gas than its allowed volume under terms of the Curtailment Order, the Company may, at its sole discretion, apply a penalty rate of up to $15.00 per Mcf.

In addition to other tariff penalty provisions, the customer shall be responsible for any penalty(s) assessed by the interstate pipeline(s) or suppliers resulting from the customer's failure to comply with terms of a Company Curtailment Order.

The payment of penalty charges shall not be considered as giving any customer the right to take unauthorized volumes of gas, nor shall such penalty charges be considered as a substitute for any other remedy available to the Company.

d) Discontinuance of Service

The Company shall have the right, after reasonable notice to discontinue the gas supply of any customer that fails to comply with a valid curtailment order.

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BY Thomas M. Dorman
EXECUTIVE DIRECTOR

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ISSUED BY: William J. Senter Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Rules and Regulations

34. General Rules

No agent, representative or employee of the Company has the authority to make any promise, agreement or representative, not incorporated in or provided for by the Rules and Regulations of the Public Service Commission of Kentucky or of this Company. Neither, has any agent, representative or employee of the Company any right or power to amend, modify, alter or waive any of the said Rules and Regulations, except as herein provided.

The Company reserves the right to amend or modify its Rules and the Regulations or to adopt such additional Rules and Regulations as the Company deems necessary in the proper conduct of its business, subject to the approval of the Public Service Commission of Kentucky.

These Rules and Regulations or Terms and Conditions of Service replace and supersede all previous Rules and Regulations or Terms and Conditions under which the Company has previously supplied gas service.

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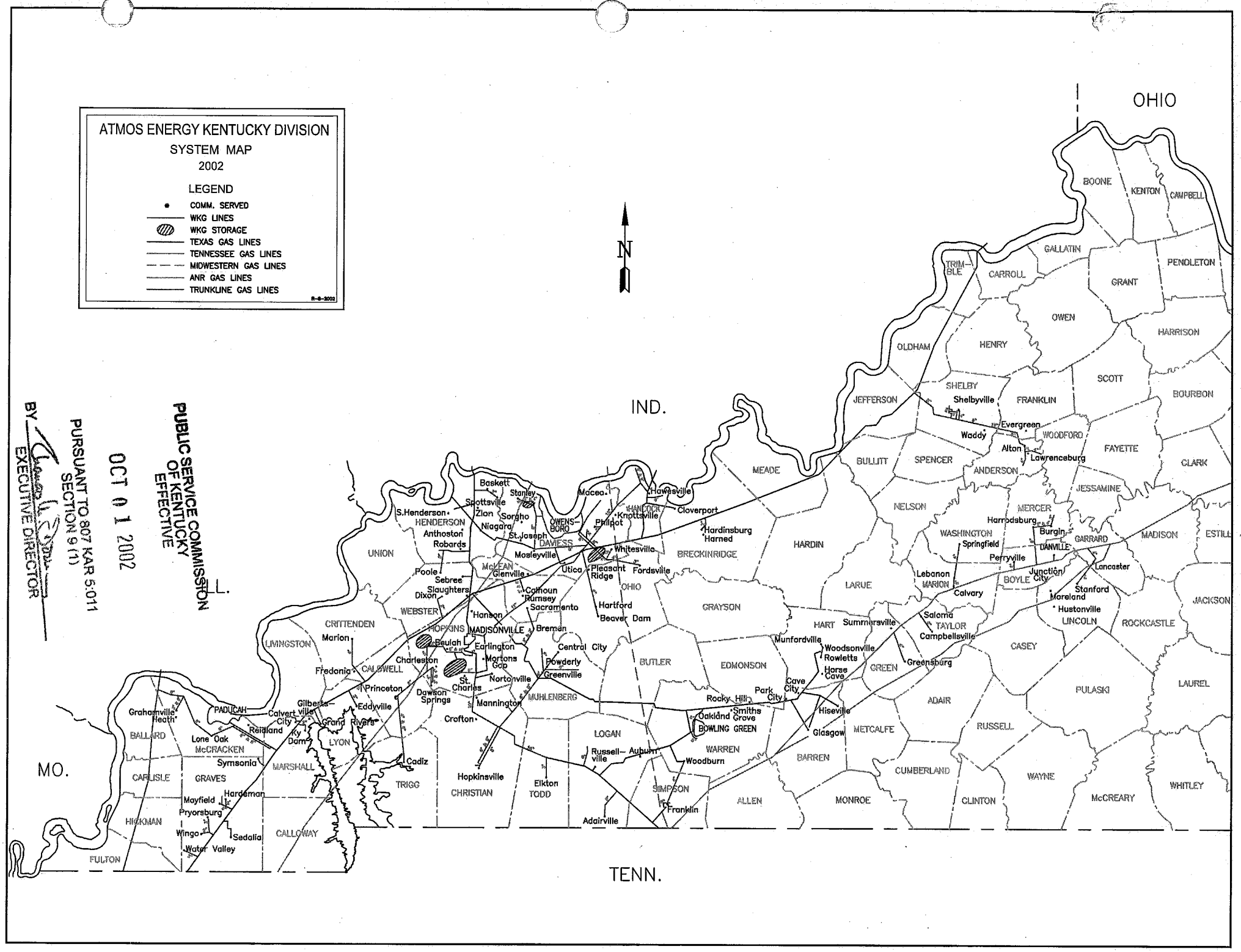
ISSUED BY: William J. Senter Vice President – Rates & Regulatory Affairs/Kentucky Division



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BY [signature]
EXECUTIVE DIRECTOR