



July 11, 2006

Honorable Beth O'Donnell, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P. O. Box 615  
Frankfort, Kentucky 40602

Subject: **Case No. 2005-00057**  
**AG Data Request dated June 14, 2006**

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JUL 12 2006

PUBLIC SERVICE  
COMMISSION

Dear Ms. O'Donnell:

Enclosed herein is the filing by Atmos Energy Corporation, of its responses to the Attorney General's Second Request for Information, dated June 14, 2006 in Case Number 2005-00057. In accordance with instructions from the Kentucky Public Service Commission (the "Commission"), in its Order dated March 3, 2006, Atmos Energy is filing an original, an electronic copy, and five paper copies with the Commission, and an electronic copy and paper copy with the Office of the Attorney General.

Please contact me at your earliest convenience should the Commission or Staff have any questions regarding this submittal.

Sincerely,

A handwritten signature in black ink that reads "Gary L. Smith".

Gary L. Smith  
Vice President, Marketing & Regulatory Affairs

Cc: Parties of Record in Case 2005-00057

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PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

OFFICE OF THE ATTORNEY GENERAL  
COMMONWEALTH OF KENTUCKY

: Case No. 2005-00057

Complainant

v.

ATMOS ENERGY CORPORATION

Respondent

ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

Comes now the Complainant, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits this Second Request for Information to Atmos Energy Corporation [hereinafter: "AEC"] to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

(2) Please identify the witness who will be prepared to answer questions concerning each request.

(3) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional

information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(4) If any request appears confusing, please request clarification directly from the Office of Attorney General.

(5) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(6) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self evident to a person not familiar with the printout.

(7) If AEC has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

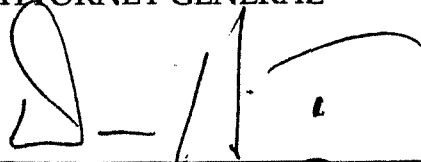
(8) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(9) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer;

and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

Respectfully submitted,

GREGORY D. STUMBO  
ATTORNEY GENERAL

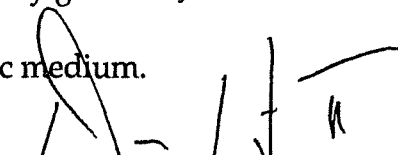


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DENNIS G. HOWARD II  
ELIZABETH E. BLACKFORD  
DAVID EDWARD SPENARD  
LAWRENCE W. COOK  
ASSISTANT ATTORNEYS GENERAL  
1024 CAPITAL CENTER DRIVE, SUITE 200  
FRANKFORT KY 40601-8204  
T (502) 696-5453  
F (502) 573-8315

*Notice of Serving and Filing in Paper and Electronic Medium*

Per Instruction 2 (d) of the Commission's 3 March 2006 Order, Counsel submits for filing, by hand delivery to Beth O'Donnell, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601, the original and five copies of the document in paper medium. Counsel also submits a copy of the document in electronic medium by e-mailing the document to [pscfilings@ky.gov](mailto:pscfilings@ky.gov) and [Beth.O'Donnell@ky.gov](mailto:Beth.O'Donnell@ky.gov). 14 June 2006 is the date for the filing and service in paper and electronic medium.

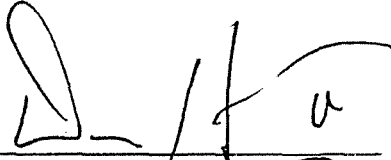


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Assistant Attorney General

*Certificate of Service*

Per Instructions 2 (d) and 8 of the 3 March 2006 Order, Counsel certifies service of a true and correct photocopy of the document by mailing the photocopy, first class postage prepaid, to the following: John N. Hughes, 124 West Todd Street, Frankfort, Kentucky 40601; Mark R. Hutchinson, Wilson, Hutchinson & Poteat, 611 Frederica Street, Owensboro, Kentucky 42301; William J. Senter, Atmos Energy Corporation, 2401 New Hartford Road, Owensboro, Kentucky 42303-1312, Gary L. Smith, Atmos Energy Corporation, 2401 New Hartford Road, Owensboro, Kentucky 42303-1312; and Douglas Walther, Atmos Energy Corporation, 2401 New Hartford Road, Owensboro, Kentucky 42303-1312. Counsel further certifies, per Instructions 2 (e) and 9, service of an electronic version of the document by electronic mail to the following: [jnhughes@fewpb.net](mailto:jnhughes@fewpb.net); [randy@whplawfirm.com](mailto:randy@whplawfirm.com); [gary.smith@atmosenergy.com](mailto:gary.smith@atmosenergy.com); and [douglas.walther@atmosenergy.com](mailto:douglas.walther@atmosenergy.com). Service was made this 14<sup>th</sup> day of June 2006.

  
Assistant Attorney General

**Attorney General's Second Request for Information  
to Atmos Energy Corporation  
Case Number 2005-00057**

1. What portion of the 13-month average Prepayment balance of \$558,382 represents the prepayment balance for PSC assessments?
2. With regard to the materials & supplies, prepayment and gas stored underground rate base, please provide the following information:
  - a. Confirm that, for ratemaking purposes, the PSC traditionally uses 13-month average test year balances for these items. If you do not agree, point to any prior cases where the Commission deviated from this ratemaking approach.
  - b. What ratemaking approach has the Company used in its prior 5 rate cases with regard to materials & supplies, prepayments and gas stored underground? Did it use single-point test year-end balances or 13-month average test year balances?
3. The response to AG-1-34 shows actual per books taxable income of \$13,950,318 for the test year ended 9/30/05 and associated state and federal income taxes of \$5,424,942. In this regard, please provide the following information:
  - a. Confirm the above. If you do not agree, explain your disagreement.
  - b. Confirm that the actual test year taxable income of \$13,950,318 includes Other Income from non-regulated operations (merchandising, interest and dividends and other non-operating income) totaling \$1,036,227. If you do not agree, explain your disagreement.
  - c. Provide a worksheet showing how much of the actual per books state and federal income tax amount of \$5,424,942 is associated with the non-regulated Other Income amount of \$1,036,227 (i.e., what would the actual test year state and federal income tax be based on operating income from regulated operations only). Show all calculations on this worksheet.

4. In its response to AG-1-30, the Company claims net after-tax operating income for the test year of \$13,231,752. In this regard, please provide the following information:
  - a. Confirm that in deriving this net after-tax operating income number of \$13,231,752, the Company reflected a test year state and federal income tax amount of \$5,424,942. If you do not agree, explain your disagreement.
  - b. Confirm that the test year state and federal income tax amount of \$5,424,942 includes income taxes associated with \$1,036,227 worth of non-regulated Other Income of \$1,036,227. If you do not agree, explain your disagreement.
  - c. Confirm that the taxable operating income in the response to AG-1-30 does not include this non-regulated Other Income of \$1,036,227. If you do not agree, explain your disagreement.
  
5. With regard to the comparative operation and maintenance expenses for the fiscal years 2004 and 2005 shown in the response to AG-1-49, please provide detailed explanations for the expense differences in the following accounts:
  - a. Acct. 8700 Operation supervision and engineering.
  - b. Acct. 8740 Mains and services expenses.
  - c. Acct. 8780 Meter and house regulator expenses.
  - d. Acct. 8810 Rents.
  - e. Acct. 9040 Uncollectible accounts.
  - f. Acct. 9260 Employee pension and benefit expenses.
  
6. Please provide a detailed explanation for the \$422,000 (23%) increase in the FY 2005 Ad Valorem taxes of \$2,301,648 over the FY 2004 Ad Valorem taxes of \$1,879,296.
  
7. Please update the following data responses by providing actual data for the 6-month period October 2005 through March 2006, in accordance with the May 22, 2006 Commission Order in this case:
  - o AG-1-19
  - o AG-1-20
  - o AG-1-21
  - o AG-1-78
  - o AG-1-79
  - o AG-1-80

8. With regard to the O&M expenses for FY 2004 and FY 2005 shown in the response to AG-1-49, please provide the following update information:
- Actual expenses on a monthly basis for the 6-months from October 2005 through March 2006.
  - Actual expenses on an annual basis for the twelve-month period ended March 31, 2006.

9. The response to AG-1-40 indicates that AEC-KY's total employee level was 241 in FY 2004, 236 in FY 2005 and 229 in the 6-month period after FY 2005. Please explain the reasons for this decreasing trend in the level of employees.

In addition, explain whether this trend is a result of a workforce reduction program implemented by the Company. If so, provide all relevant details regarding this program.

10. With regard to the response to AG-1-63, please provide the following information:

- Is the response to part c of the data request that 100% of the Company's total incentive compensation expenses shown in the response to parts a and b is a function of reaching financial performance goals, such as EPS? If not, provide a clarification of this response to part c.
- Does the financial performance (EPS) goal refer to AEC-KY's EPS or AEC Consolidated's EPS?
- Does the response to parts a and b indicate that the following incentive compensation costs have been charged to AEC-KY's O&M expenses in the test year:

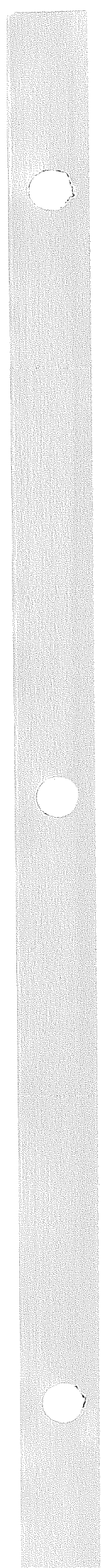
|                                       |                  |
|---------------------------------------|------------------|
| - MIP VIP SS: \$1,416,794 x 5.21%     | = \$ 73,815      |
| - MIP VIP Kentucky                    | \$138,635        |
| - Restr. Stck SS: \$1,202,109 x 5.21% | = \$ 62,630      |
| - Restr. Stck Kentucky                | <u>\$ 33,806</u> |
| - Total                               | <u>\$308,886</u> |

If this is not correct, provide the correct answer.

11. The response to AG-1-71 shows that total fines and penalty expenses of \$8,723.18 are included in the test year. Provide a worksheet showing what portion of this expense amount represents AEC-KY's allocated expense share.



12. With regard to the response to AG-1-66 (I&D expenses), please provide the following information:
  - a. Indicate what percentage of the total 010 – Shared Services expenses is allocated to AEC-KY.
  - b. Explain the reasons for the very large D&O insurance expenses of \$3.3 million (FY 2004) and \$5.1 million (FY 2005) that the Company started as compared to the corresponding insurance expenses in the years 1998 through 2003. In addition, indicate whether the test year expense of \$5.1 million can be considered representative of ongoing conditions in the near-term future.
13. With regard to the response to AG-1-75, please provide detailed descriptions (issued by the AGA or by any NARUC audits) of the AGA activities listed at the bottom of the response.
14. With regard to the response to AG-1-64, please provide a worksheet showing how much of the “Service Area 2000” expenses of \$151,227 are allocable to AEC-KY’s O&M expenses.
15. With regard to the response to AG-1-55, explain whether the full amount of \$21,543 was allocated to AEC-KY O&M expense. If not, provide the portion of the \$21,543 that is allocable to AEC-KY.
16. With regard to the response to AG-1-38, please provide the following information:
  - a. Do all of the expenses listed in this response represent expenses charged to AEC-KY’s O&M expenses? If not, provide a worksheet showing what expenses are charged to AEC-KY’s O&M expenses.
  - b. Which membership dues listed in the response to AG-1-38-1 represent dues for Social and Service Clubs?
  - c. Please provide a breakout and description of the total Service Award expenses of \$47,061 listed in the response to AG-1-38-4.
17. Please provide a listing and description of all employee party, outing and gift expenses (that are not already included in the response to AG-1-38-4) included in AEC-KY’s test year above-the-line O&M expenses.





July 11, 2006

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PUBLIC SERVICE  
COMMISSION

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**AG Data Request dated June 14, 2006**

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Please contact me at your earliest convenience should the Commission or Staff have any questions regarding this submittal.

Sincerely,

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Gary L. Smith  
Vice President, Marketing & Regulatory Affairs

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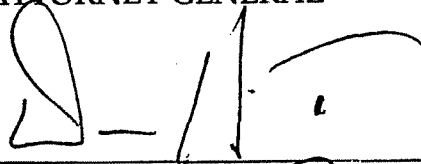
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Respectfully submitted,

GREGORY D. STUMBO  
ATTORNEY GENERAL

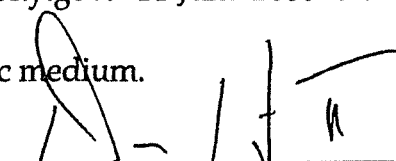


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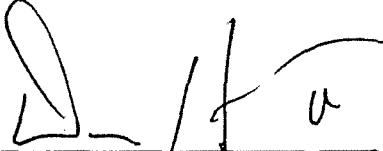


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Assistant Attorney General

**Attorney General's Second Request for Information  
to Atmos Energy Corporation  
Case Number 2005-00057**

1. What portion of the 13-month average Prepayment balance of \$558,382 represents the prepayment balance for PSC assessments?
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|                                       |                  |
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16. With regard to the response to AG-1-38, please provide the following information:
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  - b. Which membership dues listed in the response to AG-1-38-1 represent dues for Social and Service Clubs?
  - c. Please provide a breakout and description of the total Service Award expenses of \$47,061 listed in the response to AG-1-38-4.
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Atmos Energy Corporation  
Kentucky  
Case No. 2005-00057  
Attorney General's Second Data Request dated June 14, 2006  
DR Item 1  
Witness: Tom Petersen & Dan Meziere

Data Request:

What portion of the 13-month average Prepayment balance of \$558,382 represents the prepayment balance for PSC assessments?

Response:

\$181,247 of the prepayment balance represents PSC assessments.

Atmos Energy Corporation  
Kentucky  
Case No. 2005-00057  
Attorney General's Second Data Request dated June 14, 2006  
DR Item 2  
Witness: Tom Petersen & Dan Meziere

Data Request:

With regard to the materials & supplies, prepayment and gas stored underground rate base, please provide the following information:

- a. Confirm that, for ratemaking purposes, the PSC traditionally uses 13-month average test year balances for these items. If you do not agree, point to any prior cases where the Commission deviated from this ratemaking approach.
- b. What ratemaking approach has the Company used in its prior 5 rate cases with regard to materials & supplies, prepayments and gas stored underground? Did it use single-point test year-end balances or 13-month average test year balances?

Response:

- a. The company has not researched the KY PSC's historical ratemaking treatment of M&S, prepayments and gas stored underground.
- b. The company's fourth most recent rate case in Kentucky was nearly 20 years ago, so we have not fully researched this matter over such an extensive period. However, in its rate filings in Kentucky and elsewhere the company has generally used 13-month average test year balances with known and measurable adjustments for the referenced rate base items.

Atmos Energy Corporation  
Kentucky  
Case No. 2005-00057  
Attorney General's Second Data Request dated June 14, 2006  
DR Item 3  
Witness: Tom Petersen

Data Request:

The response to AG-1-34 shows actual per books taxable income of \$13,950,318 for the test year ended 9/30/05 and associated state and federal income taxes of \$5,424,942. In this regard, please provide the following information:

- a. Confirm the above. If you do not agree, explain your disagreement.
- b. Confirm that the actual test year taxable income of \$13,950,318 includes Other Income from non-regulated operations (merchandising, interest and dividends and other non-operating income) totaling \$1,036,227. If you do not agree, explain your disagreement.
- c. Provide a worksheet showing how much of the actual per books state and federal income tax amount of \$5,424,942 is associated with the non-regulated Other Income amount of \$1,036,227 (i.e., what would the actual test year state and federal income tax be based on operating income from regulated operations only). Show all calculations on this worksheet.

Response:

We believe the reference to the DR AG 1-34 is in error, and is intended to refer to AG 1-42. Therefore, the following responses are provided in regard to the company's response to DR AG 1-42.

- a. The response to AG 1-42 does contain the amounts referred to in the question.
- b. The company agrees that the income before taxes of \$13,950,318 shown on AG-1-42 contains \$1,036,227 of other income from non-regulated operations.
- c. The calculation of per books income tax for the Kentucky division for fiscal year 2005 is shown in the response to AG 1-36. The attached worksheet is based on the response to AG 1-36 but removes \$1,036,227 from book taxable income before state taxes while making no other changes to the calculation. The result of the calculation is \$5,058,644.

| Line # | a  | b             | c         | d            |
|--------|--|---------------|-----------|--------------|
|        |  | AUT           | BU 010    | BU 040       |
|        |  | Utility       | SS        | KY           |
| 1      | Pre-Tax Book Income                          | (173,130,691) | (586,425) | (13,950,318) |
|        | <i>Permanent differences</i>                 |               |           |              |
| 2      | Dividends to RSGP                            | 386,695       | -         | 18,832       |
| 3      | RSGP Vested Value over Grant Value           | 140,358       | -         | 6,835        |
| 4      | Increase in CSV of Insurance Policies        | 1,461,369     | -         | 71,169       |
| 5      | SERP Premiums                                | (769,470)     | -         | (37,473)     |
| 6      | ESOP Dividends                               | 3,109,305     | -         | 151,423      |
| 7      | Meals & Entertainment                        | (1,184,840)   | -         | (57,702)     |
| 8      | Penalties                                    | (36,499)      | -         | (1,778)      |
| 9      | DRD  | 631,338       | -         | 30,746       |
| 10     | Lobbying                                     | (496,665)     | -         | (24,188)     |
| 11     | Club dues                                    | (47,427)      | -         | (2,310)      |
| 12     | Amortization                                 | (2,801,067)   | -         | (136,412)    |
| 13     | Partnership Investment - Other               | -             | -         | -            |
| 14     | Spousal Travel                               | (40,168)      | -         | (1,956)      |
| 15     | Book Taxable before State Taxes              | (172,777,762) | (586,425) | (13,933,130) |
| 16     | Remove \$1,036,227 income                    | 1,036,227     |           | 1,036,227    |
| 17     | Hypothetical Book Taxable before State Taxes | (171,741,535) |           | (12,896,903) |
| 18     | State Taxes                                  | 4,867,130     | -         | 728,804      |
| 19     | Book Taxable                                 | (167,910,632) | (586,425) | (12,168,099) |
| 20     | Federal Rate                                 | 35%           | 35%       | 35%          |
| 21     | Federal Taxes                                | 58,768,721    | 205,249   | 4,258,835    |
| 22     | State Taxes                                  | 4,867,130     | -         | 728,804      |
| 23     | ITC  | (513,837)     | -         | -            |
| 24     | State Bonus Depreciation Adjustment          | 1,458,010     | -         | 71,005       |
| 25     | Tax Expense                                  | 64,580,024    | 205,249   | 5,058,644    |
| 26     | Federal Taxes                                | 58,254,884    | 205,249   | 4,258,835    |
| 27     | State Taxes                                  | 6,325,140     | -         | 799,809      |
| 28     |  | 64,580,024    | 205,249   | 5,058,644    |

|    |   |               |
|----|---|---------------|
| 29 | Utility Book Taxable before State Taxes | (171,741,535) |
| 30 | Kentucky State Tax Apportionment %      | 6.0623%       |
| 31 | Income Apportioned to Kentucky          | (10,411,487)  |
| 32 | Kentucky State Tax Rate                 | 7.0000%       |
| 33 | Kentucky State Tax Expense              | 728,804       |

Atmos Energy Corporation  
Kentucky  
Case No. 2005-00057  
Attorney General's Second Data Request dated June 14, 2006  
DR Item 4  
Witness: Tom Petersen

Data Request:

In its response to AG-1-30, the Company claims net after-tax operating income for the test year of \$13,231,752. In this regard, please provide the following information:

- a. Confirm that in deriving this net after-tax operating income number of \$13,231,752, the Company reflected a test year state and federal income tax amount of \$5,424,942. If you do not agree, explain your disagreement.
- b. Confirm that the test year state and federal income tax amount of \$5,424,942 includes income taxes associated with \$1,036,227 worth of non-regulated Other Income of \$1,036,227. If you do not agree, explain your disagreement.
- c. Confirm that the taxable operating income in the response to AG-1-30 does not include this non-regulated Other Income of \$1,036,227. If you do not agree, explain your disagreement.

Response:

- a. The Company agrees.
- b. The relationship between the Company's book income in Kentucky and its book income tax in Kentucky is not as direct as implied by the question.

The Company prepares income taxes as a whole. State income taxes are calculated using total corporate income and an apportionment factor. The \$1,036,227 Other Income in Kentucky is included as part of total corporate Other Income and a portion of that total is included in the calculation of Kentucky state income tax. Please see the response to AG-1-36. In that context the \$1,036,227 other income is included in the calculation of the \$5,424,942 book state and federal income tax.

- c. The Company agrees.



Atmos Energy Corporation  
Kentucky  
Case No. 2005-00057  
Attorney General's Second Data Request dated June 14, 2006  
DR Item 5  
Witness: Dan Meziere & Greg Waller

Data Request:

With regard to the comparative operation and maintenance expenses for the fiscal years 2004 and 2005 shown in the response to AG-1-49, please provide detailed explanations for the expense differences in the following accounts:

- a. Acct. 8700 Operation supervision and engineering.
- b. Acct. 8740 Mains and services expenses.
- c. Acct. 8780 Meter and house regulator expenses.
- d. Acct. 8810 Rents.
- e. Acct. 9040 Uncollectible accounts.
- f. Acct. 9260 Employee pension and benefit expenses.

Response:

- a. The difference is mainly attributable to a yearly adjustment to the amount of Paid Time Off on the books (nearly \$280,000), employee relocation expenses (approximately \$100,000) and an officer position that was filled during FY 2004. Paid Time Off is adjusted yearly in order to keep liability current on the books. This can be either a negative or positive adjustment depending on the amount of Paid Time Off available to all division employees.
- b. This difference is mainly attributable to increased costs of operating company vehicles (approximately \$120,000) and to an increase in labor costs. Labor was impacted by a 12% increase in the number of required pipeline locates in FY 2005 compared to FY 2004.
- c. This difference is attributable to labor (approximately \$140,000) which was driven by a 20% increase in service orders worked year over year.
- d. Increased rents due to new offices in Mayfield and Bowling Green.

Atmos Energy Corporation  
Kentucky  
Case No. 2005-00057  
Attorney General's Second Data Request dated June 14, 2006  
DR Item 5  
Witness: Dan Meziere & Greg Waller

Response, continued:

- e. For accounting purposes, it is a long-standing practice to accrue an amount, based upon a percentage of billed revenue, to reserve for write-offs. The level of write-offs is difficult to predict despite the Company's ongoing persistence in managing collections activities. Since 2000, natural gas costs have risen sharply and have become much more volatile. With greater volatility in the largest component of the customer's bill, the gas cost, coupled with the unpredictable impact of weather on the customer's total bill, the accrual has proven challenging when looking at a specific period. A description of the Company's "Allowance for Doubtful Accounts" accounting procedures is attached.

In FY 2004, the Company suspended its monthly accrual expense beginning in April 2004 due to, in its judgment, the sufficiency of its accumulated reserve. Adjustments to the accrual amounts going forward are warranted from time-to-time, pursuant to the attached procedures, based upon a number of factors, such as an analysis of aging reports and collections efforts.

For FY 2005, the accrual amount expensed remained in place throughout the year as both a safeguard to write-offs and to replenish the reserve to a more adequate point for entry into FY 2006.

In essence, the difference between FY 2004 and FY 2005 is primarily attributable to a depletion of the reserve for bad debt in FY 2004 and the replenishment of the reserve in FY 2005. The average of the two years is a reasonable estimate for the period.

- f. The majority of the variance is due to the following: passage of the Medicare Prescription Drug Improvement and Modernization Act of 2003 resulted in a one time adjustment, a credit, to FAS 106 expense of (\$222,000) in FY 2004 based upon Towers Perrin actuarial calculations; also in 2004, a one time flexible spending account adjustment, a credit, to medical and dental expenses of (\$103,000) was recorded; and, in FY 2005 pension expense increased over FY 2004 by \$112,000 based on actuarial calculations provided by Towers Perrin.

Atmos Energy Corporation  
Gas Revenue Accounting Department  
Process Documentation

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**Process:** Allowance for Doubtful Accounts

**Purpose:** To maintain an adequate reserve for future uncollectible accounts and record the applicable provision on a monthly basis.

**Output:** Bad Debt Allowance Roll-forward Report, Bad Debt Allowance Model, Monthly Provision Calculation Report

**Documentation of Procedure:**

**Current Month Provision:**

We currently reserve for bad debts using the Percentage of Revenue method. Each month the total sales revenue from residential, commercial, public authority, irrigation, and unbilled estimates are multiplied by the budgeted provision rate to record the bad debt provision and increase the allowance balance. The entry to record the provision is as follows:

|   |      |      |
|---|------|------|
| Bad Debt Expense (9040)                   | XXXX |      |
| Allowance for Bad Debts (1440)            |      | XXXX |
| <i>(To record the bad debt provision)</i> |      |      |

**Determination of Reserve Adequacy:**

The Bad Debt Reserve Model is completed each month to calculate the adequacy of the Allowance for Bad Debts. Our general calculation formula for adequacy is as follows:

$$\text{Net Exposure} * \text{Historical Write-off Percentage} = \text{Required Reserve}$$

Where the following definitions apply:

**Net Exposure** - the net customer aged balances adjusted by: unbilled revenue estimates, applicable customer deposits and applicable taxes.

**Historical Write-Off Percentage** - the cumulative write-offs by aging bucket as a percentage of cumulative customer balances by aging bucket for the past 2 fiscal years. In jurisdictions where we have a gas cost recovery mechanism, the recoverable portion of bad debt is excluded from our historical write-off calculation. For inactive accounts we reserve for 75% of the balance based on our prior experience with collection agency recoveries. We review and update the percentage for inactive accounts as necessary based on input from our Director of Collections.

Bearing in mind that this is an estimate of future write-off expectations, our model provides the starting balance when considering the adequacy of the reserve. Management also considers other business trends, significant transactions and the economic conditions in the final determination of the adequacy of our current reserve balance.

Atmos Energy Corporation  
Kentucky  
Case No. 2005-00057  
Attorney General's Second Data Request dated June 14, 2006  
DR Item 6  
Witness: Dan Meziere

Data Request:

Please provide a detailed explanation for the \$422,000 (23%) increase in the FY 2005 Ad Valorem taxes of \$2,301,648 over the FY 2004 Ad Valorem taxes of \$1,879,296.

Response:

For Fiscal Year 2005 the accrual of property taxes was increased to more accurately reflect the property tax expense incurred by the Company. Property taxes are paid based on a calendar year basis whereas the accrual of property taxes for book purposes is computed on a fiscal year basis. The Company's property tax accruals are based on preexisting over and under accruals, as well as tax estimate changes throughout the year. Theoretically, on a fiscal year basis, the property tax expense recorded on the books should represent actual taxes paid for 3 months of the preceding calendar year and actual taxes paid for 9 months of the current calendar year. The attached schedule illustrates that the accrual of property taxes for FY04 and FY05 was understated when compared to actual taxes paid in Kentucky jurisdictions.

| Line No. | a                    | b                       | c                        | d                 | e                       | f                |
|----------|----------------------|-------------------------|--------------------------|-------------------|-------------------------|------------------|
| 1        | <b>Calendar Year</b> |                         |                          |                   | <b>Fiscal Year</b>      |                  |
| 2        |                      | <b>Accrual Expensed</b> | <b>Actual Taxes Paid</b> | <b>Difference</b> | <b>Accrual Expensed</b> |                  |
| 3        | Jan-03               | 163,304                 |                          |                   | Oct-03                  | 156,608          |
| 4        | Feb-03               | 163,304                 |                          |                   | Nov-03                  | 156,608          |
| 5        | Mar-03               | 163,304                 |                          |                   | Dec-03                  | 156,608          |
| 6        | Apr-03               | 163,304                 |                          |                   | Jan-04                  | 156,608          |
| 7        | May-03               | 163,304                 |                          |                   | Feb-04                  | 156,608          |
| 8        | Jun-03               | 163,304                 |                          |                   | Mar-04                  | 156,608          |
| 9        | Jul-03               | 163,304                 |                          |                   | Apr-04                  | 156,608          |
| 10       | Aug-03               | 163,304                 |                          |                   | May-04                  | 156,608          |
| 11       | Sep-03               | 163,304                 |                          |                   | Jun-04                  | 156,608          |
| 12       | Oct-03               | 156,608                 |                          |                   | Jul-04                  | 156,608          |
| 13       | Nov-03               | 156,608                 |                          |                   | Aug-04                  | 156,608          |
| 14       | Dec-03               | 156,608                 |                          |                   | Sep-04                  | 156,608          |
| 15       | <b>TOTAL</b>         | <b>1,939,560</b>        | <b>1,939,934</b>         | <b>(374)</b>      | <b>TOTAL</b>            | <b>1,879,296</b> |
| 16       | Jan-04               | 156,608                 |                          |                   | Oct-04                  | 186,804          |
| 17       | Feb-04               | 156,608                 |                          |                   | Nov-04                  | 186,804          |
| 18       | Mar-04               | 156,608                 |                          |                   | Dec-04                  | 186,804          |
| 19       | Apr-04               | 156,608                 |                          |                   | Jan-05                  | 186,804          |
| 20       | May-04               | 156,608                 |                          |                   | Feb-05                  | 186,804          |
| 21       | Jun-04               | 156,608                 |                          |                   | Mar-05                  | 186,804          |
| 22       | Jul-04               | 156,608                 |                          |                   | Apr-05                  | 186,804          |
| 23       | Aug-04               | 156,608                 |                          |                   | May-05                  | 186,804          |
| 24       | Sep-04               | 156,608                 |                          |                   | Jun-05                  | 186,804          |
| 25       | Oct-04               | 186,804                 |                          |                   | Jul-05                  | 192,500          |
| 26       | Nov-04               | 186,804                 |                          |                   | Aug-05                  | 211,108          |
| 27       | Dec-04               | 186,804                 |                          |                   | Sep-05                  | 216,804          |
| 28       | <b>TOTAL</b>         | <b>1,969,884</b>        | <b>2,192,249</b>         | <b>(222,365)</b>  | <b>TOTAL</b>            | <b>2,301,648</b> |
| 29       | Jan-05               | 186,804                 |                          |                   |                         |                  |
| 30       | Feb-05               | 186,804                 |                          |                   |                         |                  |
| 31       | Mar-05               | 186,804                 |                          |                   |                         |                  |
| 32       | Apr-05               | 186,804                 |                          |                   |                         |                  |
| 33       | May-05               | 186,804                 |                          |                   |                         |                  |
| 34       | Jun-05               | 186,804                 |                          |                   |                         |                  |
| 35       | Jul-05               | 192,500                 |                          |                   |                         |                  |
| 36       | Aug-05               | 211,108                 |                          |                   |                         |                  |
| 37       | Sep-05               | 216,804                 |                          |                   |                         |                  |
| 38       | Oct-05               | 216,804                 |                          |                   |                         |                  |
| 39       | Nov-05               | 222,500                 |                          |                   |                         |                  |
| 40       | Dec-05               | 211,108                 |                          |                   |                         |                  |
| 41       | <b>TOTAL</b>         | <b>2,391,648</b>        | <b>2,367,557</b>         | <b>24,091</b>     |                         |                  |

1) Taxes are accrued/expensed based on a calendar year. The expenses are adjusted when we need to balance the accrual accounts to the actual taxes.

2) The above "Calendar Year" chart details the taxes we incurred and the monthly accrual/expense during the same tax period. Differences can occur due to new or pre-existing over/under accruals. Therefore, the monthly expenses are based on the actual or projected tax payments and existing over/under accrual balances on the balance sheet.

Atmos Energy Corporation  
Kentucky  
Case No. 2005-00057  
Attorney General's Second Data Request dated June 14, 2006  
DR Item 7  
Witness: See Below

Data Request:

Please update the following data responses by providing actual data for the 6-month period October 2005 through March 2006, in accordance with the May 22, 2006 Commission Order in this case:

- AG-1-19 AG-1-20
- AG-1-21 AG-1-78
- AG-1-79 AG-1-80

Response:

The requested additional data is attached for each of the above items, with the witnesses as stated in the table below:

- Supplement to DR 1-19 (Witness: Steve Harmon)

| <b>Fiscal Year 2006</b> |               |                   |                  |                    |
|-------------------------|---------------|-------------------|------------------|--------------------|
|                         | <b>Exempt</b> | <b>Non Exempt</b> | <b>Executive</b> | <b>Total Count</b> |
| <b>October</b>          | 52            | 183               | 1                | 236                |
| <b>November</b>         | 52            | 184               | 1                | 237                |
| <b>December</b>         | 52            | 183               | 1                | 236                |
| <b>January</b>          | 50            | 181               | 1                | 232                |
| <b>February</b>         | 51            | 182               | 1                | 234                |
| <b>March</b>            | 52            | 179               | 1                | 232                |

- Supplement to DR 1-20 (Witness: Steve Harmon)

|                | <b>Non-exempt Increase Amount</b> | <b>Non-exempt Increase %</b> | <b>Non-Exempt Employee Count</b> | <b>Exempt Increase Amount</b> | <b>Exempt Increase %</b> | <b>Exempt Employee Count</b> |
|----------------|-----------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------|------------------------------|
| <b>FY 2006</b> | \$256,277                         | 3.25%                        | 190                              | \$130,007                     | 3.63%                    | 46                           |

Atmos has adopted a Common Merit Increase program where each October 1, all nonunion employees are considered for a merit increase based on the annual guidelines developed for the respective fiscal year. The annual guidelines contain the annual merit budget and suggestions as to how it should be applied to employees based on the employee's performance and his/her pay with respect to the job's pay range mid-point value. The annual merit budget is market based which is developed using primarily the annual "World at Work" merit budget survey. The FY 2007 annual guidelines have not been approved as of this writing.

- AG-1-21 (Witness: Gary Smith)
- AG-1-78 (Witness: Laurie Sherwood)
- AG-1-79 (Witness: Laurie Sherwood)
- AG-1-80 (Witness: Tom Petersen)

Also, please note that the Company's original response to AG DR 1-80 contained an erroneous heading in columns C and D of the spreadsheet. The revised attachment to AG DR 1-80, changing only the column headers to "12/31/03" is attached.

Also, although not specifically requested in this DR, the Company is providing an update to AG-1-10, a detailed Trial Balance as of 3/31/06.

| Almos Energy Corporation  |         | Almos Energy Corporation                 |              |
|---|---------|--|--------------|
| Kentucky  |         | Kentucky                                 |              |
| Trial Balance FERC  |         | Case Number 2005-00057                   |              |
| Current Period: MAR-06  |         | DR date 5-22-06 Item 7 update TB         |              |
| currency USD  |         |  |              |
| Company=040 (Almos Energy-Kentucky), Future Growth=0000 (Default) |         |  |              |
| Co.   | Account | Account Description                      | Total YTD    |
| 040   | 1010    | Gas plant in service                     | 1,161,862    |
| 040   | 1070    | Construction work in progress            | 282,432,492  |
| 040   | 1080    | Accumulated provision for depreciation   | 1,170,196    |
| 040   | 1110    | Accumulated provision for amortization   | (496,336)    |
| 040   | 1140    | Gas plant acquisition adjustments        | (46,076,304) |
| 040   | 1150    | Accumulated provision for amortization   | -            |
| 040   | 1240    | Other investments                        | -            |
| 040   | 1280    | Other special funds                      | -            |
| 040   | 1340    | Customer accounts receivable             | 3,336,784    |
| 040   | 1420    | Customer accounts receivable             | 3,336,784    |
| 040   | 1430    | Other accounts receivable                | 4,940        |
| 040   | 1440    | Accumulated provision for uncollectible  | 166,000      |
| 040   | 1460    | Accounts receivable from associated      | -            |
| 040   | 1540    | Plant materials and operating supplies   | -            |
| 040   | 1630    | Stores expense undistributed             | -            |
| 040   | 1641    | Gas stored-current                       | -            |
| 040   | 1650    | Prepayments                              | -            |
| 040   | 1740    | Miscellaneous current and accrued        | -            |
| 040   | 1840    | Cleaning accounts                        | -            |
| 040   | 1860    | Miscellaneous deferred debits            | -            |
| 040   | 1910    | Accumulated deferred income taxes        | -            |
| 040   | 1910    | Unrecouped purchased gas costs           | -            |
| 040   | 2160    | Retained Earnings                        | -            |
| 040   | 2262    | Accumulated provision for minutes an     | -            |
| 040   | 2320    | Customer accounts payable                | -            |
| 040   | 2350    | Customer Deposits                        | -            |
| 040   | 2360    | Taxes accrued                            | -            |
| 040   | 2370    | Interest accrued                         | -            |
| 040   | 2410    | Tax collections payable                  | -            |
| 040   | 2420    | Miscellaneous current and accrued li     | -            |
| 040   | 2520    | Customer advances for construction       | -            |
| 040   | 2530    | Other deferred credits                   | -            |
| 040   | 2820    | Accumulated deferred income taxes-       | -            |
| 040   | 2830    | Accumulated deferred income taxes-       | -            |
| 040   | 4030    | Depreciation Expense                     | -            |
| 040   | 4042    | Amortization of underground storage      | -            |
| 040   | 4043    | Amortization of other limited term ga    | -            |
| 040   | 4081    | Taxes other than income taxes, utility   | -            |
| 040   | 4091    | Income taxes, utility operating income   | -            |
| 040   | 4101    | Provision for deferred income taxes,     | -            |
| 040   | 4150    | Revenues from merchandising, jobbi       | -            |
| 040   | 4160    | Costs and expenses of merchandisin       | -            |
| 040   | 4170    | Expenses of nonutility operations        | -            |
| 040   | 4190    | Interest and dividend income             | -            |
| 040   | 4191    | Allowance for other funds used dunn      | -            |
| 040   | 4210    | Miscellaneous nonoperating income        | -            |
| 040   | 4261    | Donations                                | -            |
| 040   | 4264    | Expenditures for certain civic, politica | -            |
| 040   | 4265    | Other deductions, Total other income     | -            |
| 040   | 4270    | Interest on long-term debt               | -            |
| 040   | 4310    | Other interest expense                   | -            |
| 040   | 4320    | Allowance for borrowed funds used d      | -            |
| 040   | 4800    | Residential sales                        | -            |
| 040   | 4805    | Unbilled residential sales               | -            |
| 040   | 4811    | Commercial revenue                       | -            |
| 040   | 4812    | Industrial revenue                       | -            |
| 040   | 4815    | Unbilled commercial revenue              | -            |
| 040   | 4816    | Unbilled industrial revenue              | -            |
| 040   | 4820    | Other sales to public authorities        | -            |
| 040   | 4825    | Unbilled public authority                | -            |
| 040   | 4870    | Forfeited discounts                      | -            |
| 040   | 4880    | Miscellaneous service revenues           | -            |
| 040   | 4895    | Revenue-transportation commercial        | -            |
| 040   | 4896    | Revenue-transportation industrial        | -            |
| 040   | 7520    | Gas wells expenses                       | -            |
| 040   | 8040    | Natural gas city gate purchases          | -            |
| 040   | 8045    | Transportation to city gate              | -            |
| 040   | 8051    | Purchased gas cost adjustments - re      | -            |

| Atmos Energy Corporation  |         |  |         |              |             |             |             |             |             |             |              |              |              | Atmos Energy Corporation         |              |               |
|---|---------|--|---------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|----------------------------------|--------------|---------------|
| Trial Balance FERC  |         |  |         |              |             |             |             |             |             |             |              |              |              | Kentucky                         |              |               |
| Current Period: MAR-06  |         |  |         |              |             |             |             |             |             |             |              |              |              | Case Number 2005-00057           |              |               |
| currency USD  |         |  |         |              |             |             |             |             |             |             |              |              |              | DR date 5-22-06 item 7 update TB |              |               |
| Company=040 (Atmos Energy-Kentucky), Future Growth=0000 (Default) |         |  |         |              |             |             |             |             |             |             |              |              |              |                                  |              |               |
| Co  | Account | Account Description                    | Beq Bal | APR-05       | MAY-05      | JUN-05      | JUL-05      | AUG-05      | SEP-05      | OCT-05      | NOV-05       | DEC-05       | JAN-06       | FEB-06                           | MAR-06       | Total YTD     |
| 040   | 8052    | Purchased gas cost adjustments - co    | -       | 3,607,220    | 2,492,943   | 1,486,619   | 1,468,128   | 1,349,901   | 1,599,363   | 2,261,491   | 3,321,751    | 8,398,150    | 9,326,410    | 8,684,022                        | 7,914,607    | 51,910,605    |
| 040   | 8053    | Purchased gas cost adjustments - in    | -       | 870,390      | 1,019,928   | 724,339     | 565,644     | 537,506     | 1,053,263   | 1,255,559   | 1,262,236    | 3,209,164    | 2,547,925    | 2,095,031                        | 2,855,926    | 17,996,916    |
| 040   | 8054    | Purchased gas cost adjustments - pu    | -       | 1,080,577    | 696,273     | 416,671     | 351,985     | 307,819     | 399,449     | 557,094     | 1,080,890    | 2,317,788    | 2,624,394    | 2,344,311                        | 2,302,168    | 14,479,419    |
| 040   | 8057    | Purchased gas cost adjustments - tra   | -       | 12,922       | 1,109       | 1,435       | 622         | 622         | 3,918       | -           | 9,374        | 11,324       | 529,296      | 161,795                          | (691,090)    | 41,327        |
| 040   | 8058    | Unbilled purchased gas cost adjustm    | -       | (5,265,866)  | (2,563,742) | 970,501     | 934,328     | 2,258,175   | 2,042,374   | 6,082,672   | 10,736,905   | 10,379,758   | (5,136,653)  | 4,563,200                        | (10,383,735) | 14,617,917    |
| 040   | 8059    | PGA offset to unrecovered gas cost     | -       | (17,480,538) | (7,032,481) | (9,071,845) | (6,012,056) | (9,958,406) | (9,690,924) | (7,464,376) | (15,288,622) | (22,439,221) | (37,668,886) | (29,083,775)                     | (21,039,073) | (192,230,203) |
| 040   | 8060    | Exchange gas                           | -       | 3,707,397    | (3,978,842) | (1,014,990) | (5,593,098) | (2,497,960) | (4,300,041) | (9,950,165) | 537,708      | 15,227,151   | 5,228,053    | 2,310,252                        | 2,820,636    | 2,496,101     |
| 040   | 8081    | Gas withdrawn from storage-Debit       | -       | 7,275,553    | 69,825      | 208,626     | 384,514     | 16,702      | 1,169       | 15,560      | 298,977      | 4,367,606    | 11,254,143   | 8,221,546                        | 11,941,424   | 44,055,645    |
| 040   | 8082    | Gas delivered to storage-Credit        | -       | (476,610)    | (4,350,374) | (2,922,055) | (4,435,974) | (5,968,062) | (7,698,152) | (7,454,460) | (11,713,562) | (4,927,487)  | (45,521)     | (572,403)                        | -            | (50,564,660)  |
| 040   | 8120    | Gas used for other utility operations- | -       | (1,297)      | (624)       | (2,694)     | 318         | (566)       | (837)       | (3,318)     | (1,001)      | (20,006)     | 6,345        | 14,406                           | 9,985        | 711           |
| 040   | 8130    | Other gas supply expenses              | -       | -            | 4           | (1,343)     | -           | -           | 2,496       | 15,708      | 15,708       | 15,708       | 15,708       | 15,708                           | 3,281        | 82,978        |
| 040   | 8140    | Operation supervision and engineer     | -       | (287)        | (304)       | (269)       | (293)       | (267)       | (488)       | (54)        | (34)         | (176)        | 1,350        | 638                              | 1,974        | 1,790         |
| 040   | 8150    | Maps and records                       | -       | -            | -           | -           | -           | -           | -           | -           | -            | 125          | -            | -                                | -            | 125           |
| 040   | 8160    | Wells expenses                         | -       | 6,582        | 4,222       | 3,777       | 1,079       | 1,202       | 2,345       | 722         | 3,442        | 3,874        | 2,519        | 3,690                            | 4,651        | 38,105        |
| 040   | 8170    | Lines expenses                         | -       | 54           | 893         | 4,242       | 1,131       | 1,233       | 1,182       | 705         | 3,510        | 1,379        | 2,544        | 5,212                            | 4,183        | 26,268        |
| 040   | 8180    | Compressor station expenses            | -       | 4,443        | 4,252       | 1,109       | 3,571       | 796         | 7,807       | 2,647       | 6,588        | 4,865        | 8,732        | 3,166                            | 6,723        | 54,699        |
| 040   | 8190    | Compressor station fuel and power      | -       | 313          | 55          | 53          | 101         | 2           | 54          | 1,012       | 1,284        | 913          | 957          | 857                              | 677          | 6,278         |
| 040   | 8200    | Measuring and regulating station exp   | -       | 4,268        | 1,770       | 624         | 445         | 359         | 461         | 480         | 301          | 1,586        | 1,813        | 2,451                            | 3,025        | 17,583        |
| 040   | 8210    | Purification expenses                  | -       | 2,583        | 207         | 678         | 1,788       | (117)       | 215         | 264         | 2,553        | 2,791        | 3,321        | 4,346                            | 3,332        | 21,961        |
| 040   | 8240    | Other expenses                         | -       | 7            | 3           | 2           | 27          | 1           | 1           | 8           | 5            | 20           | 32           | 22                               | 22           | 150           |
| 040   | 8250    | Storage well royalties                 | -       | 1,680        | 327         | 903         | 258         | 262         | 394         | 973         | 1,436        | 3,875        | 6,074        | 3,427                            | 4,189        | 23,798        |
| 040   | 8260    | Rents                                  | -       | -            | 176         | 304         | 373         | 144         | 48          | -           | -            | -            | -            | -                                | -            | 1,045         |
| 040   | 8310    | Maintenance of structures and impro    | -       | -            | -           | -           | -           | -           | -           | -           | -            | -            | 355          | -                                | 148          | 503           |
| 040   | 8320    | Maintenance of reservoirs and wells    | -       | -            | -           | 139         | (43)        | -           | -           | -           | -            | -            | -            | -                                | -            | 96            |
| 040   | 8340    | Maintenance of compressor station e    | -       | -            | 1,735       | 101         | 576         | (248)       | 257         | 24          | -            | 2,085        | 2,634        | (893)                            | 264          | 6,535         |
| 040   | 8350    | Maintenance of regulating station eq   | -       | -            | -           | 70          | (22)        | 317         | (125)       | -           | 4,512        | (22)         | 101          | 4,508                            | 1,306        | 10,667        |
| 040   | 8360    | Maintenance of regulating purificatio  | -       | -            | 35          | 398         | (119)       | 155         | -           | -           | -            | -            | -            | -                                | -            | 469           |
| 040   | 8400    | Operation supervision and engineer     | -       | 68           | -           | 62          | 229         | 120         | 547         | -           | -            | 280          | -            | -                                | 27           | 1,333         |
| 040   | 8410    | Operation labor and expenses           | -       | -            | -           | -           | -           | 11,161      | -           | -           | -            | -            | -            | -                                | -            | 11,161        |
| 040   | 8500    | Operation supervision and engineer     | -       | 1,642        | 2,459       | 1,745       | 1,665       | 1,497       | 3,247       | 4,284       | 2,742        | 3,491        | 3,526        | 3,299                            | 4,576        | 34,173        |
| 040   | 8560    | Mains expenses                         | -       | 18,880       | 15,359      | 13,567      | 16,010      | 9,625       | 9,057       | 13,948      | 15,387       | 20,917       | 16,413       | 27,632                           | 15,238       | 192,033       |
| 040   | 8570    | Measuring and regulating station exp   | -       | 5,235        | 3,560       | 7,624       | 3,220       | 5,675       | 11,762      | 12,014      | 6,421        | 8,065        | 8,569        | 2,684                            | 5,650        | 80,479        |
| 040   | 8590    | Other expenses                         | -       | -            | -           | -           | 150         | -           | -           | -           | -            | -            | -            | -                                | 324          | 474           |
| 040   | 8620    | Maintenance of structures and impro    | -       | -            | -           | -           | -           | -           | -           | -           | -            | 3,042        | -            | -                                | -            | 3,042         |
| 040   | 8630    | Maintenance of mains                   | -       | -            | 3,966       | 837         | 7,294       | 22,866      | 17,088      | 11,988      | 9,545        | 969          | (99)         | 2,096                            | 3,015        | 79,565        |
| 040   | 8650    | Maintenance of measuring and regul     | -       | 2,129        | 2,752       | 2,212       | 2,248       | 2,417       | 7,182       | 3,572       | 3,198        | 2,700        | 5,467        | 4,312                            | 1,332        | 39,521        |
| 040   | 8700    | Operation supervision and engineer     | -       | 141,700      | 151,468     | 117,631     | 160,371     | 150,942     | 154,746     | 148,001     | 150,993      | 176,727      | 141,048      | 130,256                          | 252,273      | 1,876,156     |
| 040   | 8710    | Distribution load dispatching          | -       | 14           | -           | 15          | 8           | 7           | 8           | (206)       | -            | 10           | 72           | 12                               | 11           | (49)          |
| 040   | 8711    | Odorization                            | -       | -            | -           | -           | -           | -           | -           | 519         | (120)        | -            | -            | -                                | -            | 399           |
| 040   | 8720    | Compressor station labor and expen     | -       | 184          | (26)        | -           | -           | -           | -           | -           | -            | -            | -            | -                                | -            | 158           |
| 040   | 8740    | Mains and services expenses            | -       | 200,556      | 166,457     | 169,416     | 195,131     | 193,093     | 222,267     | 194,361     | 198,489      | 129,804      | 212,787      | 215,607                          | 223,563      | 2,321,531     |
| 040   | 8750    | Measuring and regulating station exp   | -       | 10,740       | 5,360       | 6,163       | 7,584       | 11,049      | 16,749      | 14,777      | 11,976       | 23,281       | 8,728        | 8,964                            | 13,538       | 138,909       |
| 040   | 8760    | Measuring and regulating station exp   | -       | 14,157       | 7,963       | 7,717       | 10,440      | 13,063      | 15,833      | 15,250      | 12,076       | 12,395       | 13,280       | 12,822                           | 12,935       | 147,931       |
| 040   | 8770    | Measuring and regulating station exp   | -       | 8,791        | 4,166       | 4,378       | 5,374       | 10,479      | 14,646      | 4,751       | 12,252       | 10,883       | 7,899        | 2,829                            | 9,315        | 95,763        |
| 040   | 8780    | Meter and house regulator expenses     | -       | 73,045       | 78,104      | 81,146      | 77,292      | 75,327      | 87,860      | 92,387      | 124,173      | 115,124      | 86,880       | 95,501                           | 84,580       | 1,071,419     |
| 040   | 8790    | Customer installations expenses        | -       | 8,694        | 11,605      | 7,368       | 8,993       | 5,619       | 8,398       | 8,333       | 7,896        | 9,481        | 5,011        | 7,985                            | 9,729        | 99,112        |
| 040   | 8800    | Other expenses                         | -       | 3,495        | 5,355       | 5,578       | 1,829       | 3,743       | 5,117       | 8,712       | 6,765        | 7,508        | 4,812        | 5,587                            | 3,160        | 61,661        |
| 040   | 8810    | Rents                                  | -       | 36,199       | 34,471      | 34,576      | 31,334      | 31,924      | 31,944      | 36,933      | 37,185       | 43,647       | 57,650       | 40,557                           | 52,669       | 469,089       |
| 040   | 8850    | Maintenance supervision and engine     | -       | 22,572       | 15,639      | 17,961      | 17,145      | 18,015      | 17,864      | 23,908      | 24,350       | 29,088       | 29,116       | 26,949                           | 26,775       | 269,382       |
| 040   | 8860    | Maintenance of structures and impro    | -       | 470          | 465         | 326         | 1,579       | 346         | 1,602       | 310         | 1,242        | 716          | 658          | 372                              | 351          | 8,437         |
| 040   | 8870    | Maintenance of mains                   | -       | 2,055        | 4,589       | 547         | 1,927       | 4,014       | (552)       | 670         | 1,551        | (2,532)      | 6,874        | 5,548                            | (397)        | 24,294        |
| 040   | 8890    | Maintenance of measuring and regul     | -       | 115          | 137         | 478         | 87          | (28)        | -           | -           | -            | -            | -            | -                                | -            | 789           |
| 040   | 8900    | Maintenance of measuring and regul     | -       | -            | -           | -           | -           | -           | -           | 538         | 4,678        | 2,178        | (3,489)      | (123)                            | 72           | 3,854         |
| 040   | 8910    | Maintenance of measuring and regul     | -       | 1,114        | 2,843       | 1,997       | 863         | 2,897       | 43          | 6,716       | 2,530        | 2,210        | -            | (120)                            | -            | 21,093        |
| 040   | 8920    | Maintenance of services                | -       | 496          | 104         | 1,903       | 547         | 1,603       | 641         | 514         | 682          | 121          | 399          | 598                              | (117)        | 7,491         |
| 040   | 8930    | Maintenance of meters and house re     | -       | -            | -           | (37)        | 2           | -           | 1           | 2           | 854          | (112)        | (42)         | 3                                | 3            | 674           |
| 040   | 8940    | Maintenance of other equipment         | -       | 632          | 581         | 339         | 215         | 675         | 777         | 753         | 866          | 1,255        | 307          | 1,026                            | 1,896        | 9,322         |
| 040   | 8950    | Maintenance of other plant             | -       | -            | -           | -           | -           | -           | -           | 300         | -            | 2,278        | -            | -                                | -            | 2,578         |
| 040   | 9010    | Supervision                            | -       | (2)          | 10          | 459         | 1           | 36          | 370         | 1,009       | 802          | 51           | 105          | 450                              | 122          | 3,413         |
| 040   | 9020    | Meter reading expenses                 | -       | 68,511       | 27,077      | 68,482      | 43,621      | 56,900      | 40,210      | 64,806      | 80,685       | 83,055       | 83,453       | 77,474                           | 75,166       | 769,440       |
| 040   | 9030    | Customer records and collection exp    | -       | 103,563      | 123,571     | 91,798      | 117,862     | 90,652      | 101,142     | 91,012      | 98,886       | 108,437      | 130,949      | 170,519                          | 129,728      | 1,358,119     |
| 040   | 9040    | Uncollectible accounts                 | -       | 82,527       | 64,842      | 1,019,032   | 50,697      | 117,591     | 115,241     | 112,231     | 69,555       | 206,239      | 151,942      | 183,177                          | 99,380       | 2,272,454     |
| 040   | 9070    | Supervision                            | -       | 9,404        | 9,722       | 8,306       | 7,146       | 8,000       | 8,239       | 9,495       | 11,904       | 12,595       | 12,660       | 10,341                           | 13,446       | 121,258       |
| 040   | 9080    | Customer assistance expenses           | -       | 10,730       | 9,027       | 10,094      | 8,332       | 10,816      | 9,834       | 11,365      | 12,006       | 12,504       | 12,952       | 12,978                           | 13,232       | 133,870       |
| 040   | 9090    | Informational and instructional advert | -       | 1,307        | 1,941       | 1,952       | 25          | 1,235       | 897         | 173         | 1,243        | 4,306        | 1,204        | 3,464                            | 1,613        | 19,360        |
| 040   | 9100    | Miscellaneous customer service and     | -       | 45           | 28          | 63          | 26          | 63          | 1,283       | 63          | 37           | 28           | 8,579        | 1,954                            | 1,111        | 13,280        |
| 040   | 9110    | Supervision                            | -       | 1,433        | 4,283       | 3,433       | 6,902       | 5,803       | 6,253       | 10,041      | 3,034        | 2,857        | 7,835        | 4,092                            | 2,696        | 58,662        |
| 040   | 9120    | Demonstrating and selling expenses     | -       | 12,734       | 5,175       | 20,967      | 8,667       | 9,713       | 11,763      | 10,456      | 13,300       | 7,465        | 7,056        | 10,938                           | 8,602        | 126,836       |



| Atmos Energy Corporation  |         |                                      |         |         |         |         |         |         |         |         |         |         |         | Atmos Energy Corporation         |         |           |
|---|---------|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------------------------------|---------|-----------|
| Trial Balance FERC  |         |                                      |         |         |         |         |         |         |         |         |         |         |         | Kentucky                         |         |           |
| Current Period: MAR-06  |         |                                      |         |         |         |         |         |         |         |         |         |         |         | Case Number 2005-00057           |         |           |
|   |         |                                      |         |         |         |         |         |         |         |         |         |         |         | DR date 5-22-06 item 7 update TB |         |           |
| currency USD  |         |                                      |         |         |         |         |         |         |         |         |         |         |         |                                  |         |           |
| Company=040 (Atmos Energy-Kentucky), Future Growth=0000 (Default) |         |                                      |         |         |         |         |         |         |         |         |         |         |         |                                  |         |           |
| Co  | Account | Account Description                  | Beg Bal | APR-05  | MAY-05  | JUN-05  | JUL-05  | AUG-05  | SEP-05  | OCT-05  | NOV-05  | DEC-05  | JAN-06  | FEB-06                           | MAR-06  | Total YTD |
| 040   | 9130    | Advertising expenses                 | -       | -       | -       | -       | -       | 100     | -       | -       | -       | -       | 473     | -                                | -       | 573       |
| 040   | 9160    | Miscellaneous sales expenses         | -       | -       | -       | -       | -       | -       | -       | -       | -       | 62      | -       | -                                | -       | 62        |
| 040   | 9210    | Office supplies and expenses         | -       | (4,192) | (2,562) | (718)   | (1,409) | (595)   | 63      | (1,399) | (611)   | 679     | (1,201) | (418)                            | 413     | (11,950)  |
| 040   | 9220    | Administrative expenses transferred- | -       | 331,911 | 316,972 | 289,047 | 259,124 | 322,014 | 309,749 | 324,287 | 373,050 | 449,904 | 402,627 | 358,834                          | 303,949 | 4,041,468 |
| 040   | 9230    | Outside services employed            | -       | 34,447  | 28,465  | 21,254  | 30,523  | 24,854  | 44,077  | 25,651  | 39,389  | 37,170  | 34,025  | 44,000                           | 41,475  | 405,330   |
| 040   | 9240    | Property insurance                   | -       | 8,236   | 5,897   | 6,621   | 6,682   | 6,559   | 6,801   | 6,818   | 7,268   | 7,725   | 14,567  | 14,827                           | 14,368  | 106,369   |
| 040   | 9250    | Injuries and damages                 | -       | 32,581  | 28,163  | 69,403  | 27,286  | 27,230  | 32,161  | 20,177  | 18,533  | 15,029  | 23,154  | 19,138                           | 20,866  | 333,721   |
| 040   | 9260    | Employee pensions and benefits       | -       | 156,974 | 159,855 | 218,440 | 198,286 | 223,495 | 69,906  | 257,180 | 345,835 | 191,039 | 301,191 | 268,757                          | 240,035 | 2,630,993 |
| 040   | 9270    | Franchise requirements               | -       | 58,072  | 206     | 57      | 24,613  | -       | 746     | 11,363  | 495     | -       | 39,681  | 661                              | 480     | 136,374   |
| 040   | 9280    | Regulatory commission expenses       | -       | -       | -       | -       | -       | -       | 1       | 168     | -       | -       | -       | -                                | -       | 169       |
| 040   | 9290    | Duplicate Charges - Credit           | -       | -       | -       | -       | -       | -       | -       | -       | 37      | -       | -       | -                                | -       | 37        |
| 040   | 9302    | Miscellaneous general expenses       | -       | 3,005   | 8,349   | 3,540   | 8,979   | 5,147   | 4,752   | 13,546  | 10,387  | 8,976   | 9,926   | 8,206                            | 4,285   | 89,098    |
| 040   | 9310    | Rents                                | -       | 751     | -       | -       | -       | -       | -       | -       | -       | -       | -       | -                                | -       | 751       |
| 040   | 9320    | Maintenance of general plant         | -       | 7,190   | 6,690   | 6,690   | 6,690   | (2,149) | 36      | 6,808   | 5,072   | 5,072   | 6,108   | 6,287                            | 6,087   | 60,581    |



| Atmos Energy Corporation  |         |                                     |         |             |             |             |             |             |             |             |             |             |             | Atmos Energy Corporation         |             |              |
|---|---------|-------------------------------------|---------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------------------------|-------------|--------------|
| Trial Balance FERC  |         |                                     |         |             |             |             |             |             |             |             |             |             |             | Kentucky                         |             |              |
| Current Period: MAR-06  |         |                                     |         |             |             |             |             |             |             |             |             |             |             | Case Number 2005-00057           |             |              |
|   |         |                                     |         |             |             |             |             |             |             |             |             |             |             | DR date 5-22-06 Item 7 update TB |             |              |
| currency USD  |         |                                     |         |             |             |             |             |             |             |             |             |             |             |                                  |             |              |
| Company=010 (Atmos Regulated Shared Services), Future Growth=0000 (Default) |         |                                     |         |             |             |             |             |             |             |             |             |             |             |                                  |             |              |
| Co  | Account | Account Description                 | Beg Bal | APR-05      | MAY-05      | JUN-05      | JUL-05      | AUG-05      | SEP-05      | OCT-05      | NOV-05      | DEC-05      | JAN-06      | FEB-06                           | MAR-06      | Total YTD    |
| 010   | 8920    | Maintenance of services             | -       | -           | 567         | -           | -           | -           | -           | -           | -           | -           | -           | -                                | -           | 567          |
| 010   | 9010    | Supervision                         | -       | 4,606       | 5,951       | 4,677       | 6,537       | 1,362       | 5,817       | 7,727       | 6,331       | 7,383       | 6,569       | 6,144                            | 6,650       | 69,754       |
| 010   | 9020    | Meter reading expenses              | -       | -           | -           | -           | -           | -           | -           | -           | -           | -           | -           | 80                               | 1,266       | 1,346        |
| 010   | 9030    | Customer records and collection ex  | -       | 1,104,628   | 1,316,578   | 1,233,004   | 1,243,523   | 1,223,349   | 223,275     | 1,542,414   | 1,428,450   | 1,555,497   | 1,438,700   | 1,392,818                        | 1,332,936   | 15,035,172   |
| 010   | 9050    | Miscellaneous customer accounts e   | -       | -           | -           | -           | -           | -           | -           | 401         | -           | -           | -           | -                                | -           | 401          |
| 010   | 9100    | Miscellaneous customer service and  | -       | 1,318       | 823         | 137         | -           | -           | 30          | 5,669       | 538         | 2,495       | 2,225       | 1,344                            | 1,217       | 15,796       |
| 010   | 9110    | Supervision                         | -       | -           | -           | -           | -           | -           | -           | 146         | -           | 315         | 649         | -                                | -           | 1,110        |
| 010   | 9120    | Demonstrating and selling expenses  | -       | -           | -           | -           | -           | 402         | -           | -           | -           | -           | -           | -                                | -           | 402          |
| 010   | 9200    | Administrative and general salaries | -       | (293,031)   | (131,102)   | (67,696)    | (191,014)   | (692,039)   | 114,702     | (900,314)   | (657,355)   | (677,630)   | (650,372)   | (705,213)                        | (325,937)   | (5,177,001)  |
| 010   | 9210    | Office supplies and expenses        | -       | 698,105     | 727,061     | 729,988     | 570,953     | 1,190,824   | 1,247,486   | 419,217     | 593,950     | 1,348,462   | 1,732,257   | 956,443                          | 1,039,545   | 11,254,091   |
| 010   | 9220    | Administrative expenses transferred | -       | (5,602,330) | (5,938,819) | (5,474,780) | (5,037,431) | (5,694,959) | (5,841,964) | (5,379,100) | (6,258,431) | (7,693,067) | (7,069,771) | (6,323,087)                      | (6,682,126) | (72,995,865) |
| 010   | 9230    | Outside services employed           | -       | 441,283     | 732,956     | 585,780     | 511,714     | 656,177     | 599,222     | 543,824     | 505,761     | 534,839     | 437,911     | 489,351                          | 531,647     | 6,570,465    |
| 010   | 9240    | Property insurance                  | -       | 9,499       | 9,499       | 9,499       | 9,499       | 9,499       | 9,499       | 9,506       | 9,506       | 37,631      | 32,833      | 32,833                           | 32,833      | 212,136      |
| 010   | 9250    | Injures and damages                 | -       | 450,993     | 428,804     | 423,484     | 446,982     | 455,402     | 458,152     | 333,107     | 374,992     | 585,664     | 423,614     | 510,107                          | 428,643     | 5,319,944    |
| 010   | 9260    | Employee pensions and benefits      | -       | 1,957,732   | 1,642,703   | 1,477,113   | 1,443,229   | 1,779,578   | 1,747,811   | 2,431,418   | 2,925,244   | 3,056,525   | 2,516,052   | 2,433,416                        | 2,743,749   | 26,154,570   |
| 010   | 9301    | General advertising expenses        | -       | -           | -           | -           | -           | -           | 34          | -           | -           | -           | -           | -                                | -           | 34           |
| 010   | 9302    | Miscellaneous general expenses      | -       | 678,869     | 312,826     | 430,586     | 283,559     | 430,851     | 676,668     | 330,520     | 430,245     | 371,962     | 363,454     | 489,810                          | 11,834      | 4,811,184    |
| 010   | 9310    | Rents                               | -       | 265,864     | 373,386     | 325,088     | 427,952     | 373,658     | 477,320     | 348,184     | 394,726     | 421,718     | 368,984     | 391,454                          | 381,716     | 4,550,050    |
| 010   | 9320    | Maintenance of general plant        | -       | 213,434     | 441,704     | 253,347     | 205,537     | 261,415     | 244,951     | 186,543     | 194,015     | 348,686     | 319,779     | 278,318                          | 404,001     | 3,351,730    |
| 010   | 9350    | Use 932 Maintenance of general pla  | -       | -           | -           | (830)       | -           | -           | -           | -           | -           | -           | -           | -                                | -           | (830)        |

Response

| Line No. | Description                    | Oct-05<br>(a) | Nov-05<br>(b) | Dec-05<br>(c) | Jan-06<br>(d) | Feb-06<br>(e) | Mar-06<br>(f) |
|----------|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 1        | Sales Customers -              |               |               |               |               |               |               |
| 2        |                                |               |               |               |               |               |               |
| 3        | Residential                    | 150,363       | 153,572       | 156,105       | 157,778       | 158,020       | 157,942       |
| 4        |                                |               |               |               |               |               |               |
| 5        | Commercial                     | 17,334        | 17,697        | 18,052        | 18,086        | 18,127        | 18,068        |
| 6        |                                |               |               |               |               |               |               |
| 7        | Industrial                     | 223           | 222           | 239           | 215           | 233           | 241           |
| 8        |                                |               |               |               |               |               |               |
| 9        | Public Authority               | 1,621         | 1,634         | 1,637         | 1,648         | 1,638         | 1,634         |
| 10       |                                |               |               |               |               |               |               |
| 11       |                                |               |               |               |               |               |               |
| 12       | Total Sales Customers          | 169,541       | 173,125       | 176,033       | 177,727       | 178,018       | 177,885       |
| 13       |                                |               |               |               |               |               |               |
| 14       | Transportation Customers -     | 186           | 184           | 180           | 174           | 175           | 182           |
| 15       |                                |               |               |               |               |               |               |
| 16       |                                |               |               |               |               |               |               |
| 17       | Total No. of Customers FY 2005 | 169,727       | 173,309       | 176,213       | 177,901       | 178,193       | 178,067       |

Consolidated Long-Term Debt Outstanding w/calculation of Effective Interest Rates  
as of March 31, 2006

Atmos Energy Corporation  
Kentucky  
Case Number 2005-00057  
DR dated 6-14-06 Item 7d  
Reference to AG -1-78  
Witness: Laurie Sherwood

| Atmos Energy Corp., Consolidated:<br>Line | Debt Series<br>(a)                                | Year<br>Issued<br>(b) | Outstanding<br>03/31/06 | End<br>Int Rate | Annual Int at<br>02/28/06 | Annualized<br>4270 Amort<br>for T-lock | Annualized<br>4280-81 Amort<br>Debt Exp & Dsct | 4270<br>exp on T-Lock<br>02/28/06 | 4280<br>mthly debt exp<br>02/28/06 | 4280<br>mthly dsct exp<br>02/28/06 | 4281<br>mthly exp<br>02/28/06 |
|---|---|-----------------------|-------------------------|-----------------|---------------------------|--|--|-----------------------------------|------------------------------------|------------------------------------|-------------------------------|
| 1   | 9.76% Sr Note J Hancock due 2004/ RET 2013        | 1989                  | -                       | 9.76%           | -                         | -                                      | \$1,362  |                                   |                                    |                                    | 114                           |
| 2   | 9.57% Sr Note Var Annuity Life due 2006/RET 2013  | 1991                  | -                       | 9.57%           | -                         | -                                      | 2,908  |                                   |                                    |                                    | 242                           |
| 3   | 7.95% Sr Note Var Annuity Life due 2006/RET 2013  | 1992                  | -                       | 7.95%           | -                         | -                                      | 1,435  |                                   |                                    |                                    | 120                           |
| 4   | 8.07% Sr Note Var Annuity Life due 2006/RET 2013  | 1994                  | -                       | 8.07%           | -                         | -                                      | 3,771  |                                   |                                    |                                    | 314                           |
| 5   | 8.26% Sr Note NY Life due 2014/RET 2013           | 1994                  | -                       | 8.26%           | -                         | -                                      | 7,050  |                                   |                                    |                                    | 587                           |
| 6   | 9.40% First Mortgage Bond J due May 2021/RET 200  | 1991                  | -                       | 9.40%           | -                         | -                                      | 560,397  |                                   |                                    |                                    | 46,700                        |
| 7   | 10% Senior Notes due Dec 2011                     | 1991                  | 2,303,308               | 10.00%          | 230,331                   |  | 0  |                                   |                                    |                                    |                               |
| 8   | 7.38% Senior Notes due May 2011                   | 2001                  | 350,000,000             | 7.38%           | 25,812,500                |  | 502,339  |                                   | 40,112                             | 1,750                              |                               |
| 9   | 6.75% Debentures Unsecured due July 2028          | 1998                  | 150,000,000             | 6.75%           | 10,125,000                |  | 99,938   |                                   | 4,641                              | 3,688                              |                               |
| 10  | 5.125% Senior Notes due Feb 2013                  | 2003                  | 250,000,000             | 5.13%           | 12,812,500                |  | 1,033,655                                      |                                   | 6,523                              | 1,771                              | 77,844                        |
| 11  | 10.43% First Mortgage Bond P due 2017 (eff 2012)  | 1987                  | 8,750,000               | 10.43%          | 912,625                   |  | 12,224   |                                   | 1,019                              |                                    |                               |
| 12  | 9.75% First Mortgage Bond Q due Apr 2020/RET 200  | 1990                  | -                       | 9.75%           | 0                         |  | 337,581  |                                   | -                                  | -                                  | 28,132                        |
| 13  | 9.32% First Mortgage Bond T due June 2021/RET 200 | 1991                  | -                       | 9.32%           | 0                         |  | 362,746  |                                   | -                                  | -                                  | 30,229                        |
| 14  | 8.77% First Mortgage Bond U due May 2022/RET 200  | 1992                  | -                       | 8.77%           | 0                         |  | 368,719  |                                   | -                                  | -                                  | 30,727                        |
| 15  | 7.50% First Mortgage Bond V due Dec 2007/RET 200  | 1992                  | -                       | 7.50%           | 0                         |  | 26,021   |                                   | -                                  | -                                  | 2,168                         |
| 16  | 6.67% MTN A1 due Dec 2025                         | 1995                  | 10,000,000              | 6.67%           | 667,000                   |  | 7,790  |                                   | 649                                |                                    |                               |
| 17  | 6.27% MTN A2 due Dec 2010                         | 1995                  | 10,000,000              | 6.27%           | 627,000                   |  | 15,441   |                                   | 1,287                              |                                    |                               |
| 18  | 2.465% Sr Note 3Yr Floating due 10/15/2007        | 2004                  | 300,000,000             | 4.98%           | 14,925,000                |  | 605,023  |                                   | 50,419                             |                                    |                               |
| 19  | 4.00% Sr Note due 10/15/2009                      | 2004                  | 400,000,000             | 4.00%           | 16,000,000                | 2,320,733                              | 995,873  | 193,394                           | 56,856                             | 26,133                             |                               |
| 20  | 4.95% Sr Note due 10/15/2014                      | 2004                  | 500,000,000             | 4.95%           | 24,750,000                | 3,237,793                              | 453,170  | 269,816                           | 37,472                             | 292                                |                               |
| 21  | 5.95% Sr Note due 10/15/2034                      | 2004                  | 200,000,000             | 5.95%           | 11,900,000                | (7,047)                                | 115,724  | (587)                             | 6,266                              | 3,378                              |                               |
| 22  |   |                       |                         |                 |                           |  |  |                                   |                                    |                                    |                               |
| 23  | Subtotal – Utility Long-Term Debt                 |                       | \$ 2,181,053,308        |                 | \$ 118,761,956            | \$ 5,551,479                           | \$ 5,513,168                                   | \$ 462,623                        | \$ 205,243                         | \$ 37,011                          | \$ 217,177                    |
| 24  |   |                       |                         |                 |                           |  |  |                                   |                                    |                                    |                               |
| 25  |   |                       |                         |                 |                           |  |  |                                   |                                    |                                    |                               |
| 26  | United Cities Propane Gas, Inc.                   |                       |                         |                 |                           |  |  |                                   |                                    |                                    |                               |
| 27  | Baxter, KY – Harlan LP due 03/05                  |                       | -                       | 7.50%           | -                         |  |  |                                   |                                    |                                    |                               |
| 28  | Evensville, TN -- E-Con due 06/08                 |                       | 168,125                 | 7.00%           | 11,769                    |  |  |                                   |                                    |                                    |                               |
| 29  | Pulaski -- Ingas, Ingram & Carvell 06/08          |                       | 250,000                 | 6.00%           | 15,000                    |  |  |                                   |                                    |                                    |                               |
| 30  | Boone, NC -- High Country, Kirby 02/04            |                       | -                       | 7.50%           | -                         |  |  |                                   |                                    |                                    |                               |
| 31  | Total Propane                                     |                       | \$418,125               |                 | \$26,769                  |  |  |                                   |                                    |                                    |                               |
| 32  |   |                       |                         |                 |                           |  |  |                                   |                                    |                                    |                               |
| 33  | United Cities Gas Storage, Inc.                   |                       |                         |                 |                           |  |  |                                   |                                    |                                    |                               |
| 34  | Nations Bk Sr Sec Notes #18 #26 03/07             | 1991                  | -                       | 7.45%           | -                         | 0                                      | 38,919   |                                   | 3,243                              |                                    |                               |
| 35  |   |                       |                         |                 |                           |  |  |                                   |                                    |                                    |                               |
| 36  | Atmos Leasing, Inc.                               |                       |                         |                 |                           |  |  |                                   |                                    |                                    |                               |
| 37  | Industrial Develop Revenue Bond 07/13             | 1991                  | 982,142                 | 7.90%           | 77,589                    | 0                                      | 0  |                                   |                                    |                                    |                               |
| 38  | Atmos Power Sys - Wells Fargo 05/08               | 2003                  | 2,289,292               | 5.65%           | 129,345                   | 0                                      | 0  |                                   |                                    |                                    |                               |
| 39  | US Bancorp - 04/09                                | 2004                  | 3,237,491               | 5.29%           | 171,263                   | 0                                      | 0  |                                   |                                    |                                    |                               |
| 40  | <b>Total Long-Term Debt</b>                       |                       | <b>\$ 2,187,980,358</b> |                 | <b>\$ 119,166,922</b>     |  |  |                                   |                                    |                                    |                               |
| 41  | Less Unamortized Debt Discount                    |                       | \$ 3,552,561            |                 |                           | \$ 5,551,479                           | \$ 5,552,087                                   | 462,623                           | \$ 208,486                         | \$ 37,011                          | \$ 217,177                    |
| 42  | Annualized Amortization of Debt Exp. & Debt Dsct. |                       |                         |                 | \$ 11,103,566             |  |  |                                   |                                    |                                    |                               |
| 43  |   |                       | <u>\$ 2,184,427,797</u> |                 | <u>\$ 130,270,488</u>     |  |  |                                   |                                    |                                    |                               |
| 44  | Effective Avg Cost of Consol Debt                 |                       |                         | <u>5.96%</u>    | end of period             |  |  |                                   |                                    |                                    |                               |

Note: includes current maturities \$ 2,184,427,797

Atmos Energy Corporation  
Kentucky  
Case Number 2005-00057  
DR dated 6-14-06 Item 7d  
Reference to AG -1-78  
Witness: Laurie Sherwood

Atmos Energy Corporation  
Consolidated Long Term Debt - Unamortized Discount Acct 2260  
as of March 31, 2006

| Line | Debt Series   | Year Issued | Full Dsct before Amort | 4280 monthly Amort | 2260 Balance Unamortized Discount 3/31/2006 | 13 mth Avg Unamortized Discount 2/28/2006 |
|------|---|-------------|------------------------|--------------------|---|---|
| 1    | 9.76% Sr Note J Hancock due 2004/ RET 2013              | 1989        |                        |                    |   |   |
| 2    | 9.57% Sr Note Var Annuity Life due 2006/RET 2013        | 1991        |                        |                    |   |   |
| 3    | 7.95% Sr Note Var Annuity Life due 2006/RET 2013        | 1992        |                        |                    |   |   |
| 4    | 8.07% Sr Note Var Annuity Life due 2006/RET 2013        | 1994        |                        |                    |   |   |
| 5    | 8.26% Sr Note NY Life due 2014/RET 2013                 | 1994        |                        |                    |   |   |
| 6    | 9.40% First Mortgage Bond J due May 2021/RET 2005       | 1991        |                        |                    |   |   |
| 7    | 10% Senior Notes due Dec 2011                           | 1991        |                        |                    |   |   |
| 8    | 7.38% Senior Notes due May 2011                         | 2001        | 210,000                | 1,750.00           | 106,750                                     | 117,250                                   |
| 9    | 6.75% Debentures Unsecured due July 2028                | 1998        | 1,327,500              | 3,687.50           | 988,250                                     | 1,010,375                                 |
| 10   | 5.125% Senior Notes due Feb 2013                        | 2003        | 212,500                | 1,770.83           | 145,208                                     | 155,833                                   |
| 11   | 10.43% First Mortgage Bond P due 2017 (eff 2012)        | 1987        |                        |                    |   |   |
| 12   | 9.75% First Mortgage Bond Q due Apr 2020/RET 2005       | 1990        |                        |                    |   |   |
| 13   | 9.32% First Mortgage Bond T due June 2021/RET 2005      | 1991        |                        |                    |   |   |
| 14   | 8.77% First Mortgage Bond U due May 2022/RET 2005       | 1992        |                        |                    |   |   |
| 15   | 7.50% First Mortgage Bond V due Dec 2007/RET 2005       | 1992        |                        |                    |   |   |
| 16   | 6.67% MTN A1 due Dec 2025                               | 1995        |                        |                    |   |   |
| 17   | 6.27% MTN A2 due Dec 2010                               | 1995        |                        |                    |   |   |
| 18   | 2.465% Sr Note 3Yr Floating due 10/15/2007              | 2004        |                        |                    |   |   |
| 19   | 4.00% Sr Note due 10/15/2009                            | 2004        | 1,568,000              | 26,133.33          | 1,123,733                                   | 1,280,533                                 |
| 20   | 4.95% Sr Note due 10/15/2014                            | 2004        | 35,000                 | 291.67             | 30,042                                      | 31,792                                    |
| 21   | 5.95% Sr Note due 10/15/2034                            | 2004        | 1,216,000              | 3,377.78           | 1,158,578                                   | 1,178,844                                 |
| 22   |   |             |                        |                    |   |   |
| 23   | Subtotal -- Utility Long-Term Debt Unamortized Discount |             | 4,569,000              | 37,011             | 3,552,561                                   | 3,774,627                                 |

Short-term Debt Rate

Atmos Energy Corporation  
 Kentucky  
 Case Number 2005-00057  
 DR dated 6-14-06 item 7e  
 Reference to AG-1-79  
 Witness: Laurie Sherwood  
 Page 1 of 2

| Line No. | Oct-05             |                   |                    |              | Nov-05             |                   |                    |              | Dec-05             |                   |                    |              |
|----------|--------------------|-------------------|--------------------|--------------|--------------------|-------------------|--------------------|--------------|--------------------|-------------------|--------------------|--------------|
|          | Atmos Consolidated |                   |                    |              | Atmos Consolidated |                   |                    |              | Atmos Consolidated |                   |                    |              |
|          | Date               | STD Avg Daily Bal | STD Int Exp & fees | STD avg rate | Date               | STD Avg Daily Bal | STD Int Exp & fees | STD avg rate | Date               | STD Avg Daily Bal | STD Int Exp & fees | STD avg rate |
|          | (a)                | (b)               | (c)                | (d)          | (e)                | (f)               | (g)                | (h)          | (i)                | (j)               | (k)                | (l)          |
| 1        | Oct-04             |                   |                    |              | Nov-04             |                   |                    |              | Dec-04             |                   |                    |              |
| 2        | Nov-04             | 20,570,000        | 219,707            |              | Dec-04             | 15,231,452        | 215,758            |              | Jan-05             | 26,440,323        | 241,879            |              |
| 3        | Dec-04             | 15,231,452        | 215,758            |              | Jan-05             | 26,440,323        | 241,879            |              | Feb-05             | 325,893           | 134,352            |              |
| 4        | Jan-05             | 26,440,323        | 241,879            |              | Feb-05             | 325,893           | 134,352            |              | Mar-05             | -                 | 140,172            |              |
| 5        | Feb-05             | 325,893           | 134,352            |              | Mar-05             | -                 | 140,172            |              | Apr-05             | -                 | 138,039            |              |
| 6        | Mar-05             | -                 | 140,172            |              | Apr-05             | -                 | 138,039            |              | May-05             | 5,857,258         | 163,148            |              |
| 7        | Apr-05             | -                 | 138,039            |              | May-05             | 5,857,258         | 163,148            |              | Jun-05             | 3,000,000         | 149,989            |              |
| 8        | May-05             | 5,857,258         | 163,148            |              | Jun-05             | 3,000,000         | 149,989            |              | Jul-05             | 10,569,355        | 176,055            |              |
| 9        | Jun-05             | 3,000,000         | 149,989            |              | Jul-05             | 10,569,355        | 176,055            |              | Aug-05             | 23,514,032        | 219,887            |              |
| 10       | Jul-05             | 10,569,355        | 176,055            |              | Aug-05             | 23,514,032        | 219,887            |              | Sep-05             | 36,963,333        | 261,112            |              |
| 11       | Aug-05             | 23,514,032        | 219,887            |              | Sep-05             | 36,963,333        | 261,112            |              | Oct-05             | 156,300,161       | 692,882            |              |
| 12       | Sep-05             | 36,963,333        | 261,112            |              | Oct-05             | 156,300,161       | 692,882            |              | Nov-05             | 236,930,933       | 983,442            |              |
| 13       | Oct-05             | 156,300,161       | 692,882            |              | Nov-05             | 236,930,933       | 983,442            |              | Dec-05             | 303,849,194       | 1,326,754          |              |
| 14       |                    |                   | <u>\$2,752,979</u> |              |                    |                   | <u>\$3,516,715</u> |              |                    |                   | <u>\$4,627,711</u> |              |
| 15       |                    |                   |                    |              |                    |                   |                    |              |                    |                   |                    |              |
| 16       |                    | \$24,897,651      |                    | 11.06%       |                    | \$42,927,728      |                    | 8.19%        |                    | \$66,979,207      |                    | 6.91%        |





Capital Structure Summary

Atmos Energy Corporation  
 Kentucky  
 Case No. 2005-00057  
 DR date 3-14-06 Item 80  
 Corrected 12/31/03 Column Headers

| Line No. | Atmos Corporation                          | Ratio            | Ratio              | Ratio   | Ratio            | Ratio   |                  |        |
|----------|--|------------------|--------------------|---------|------------------|---------|------------------|--------|
|          |  | 12/31/03         | 3/31/04            | 3/31/04 | 6/30/04          | 6/30/04 | 9/30/04          | Ratio  |
| 1        | Shareholders Equity:                       |                  |                    |         |                  |         |                  |        |
| 2        | Common Stock                               | \$ 258,999       | \$ 261,193         |         | \$ 262,909       |         | \$ 314,067       |        |
| 3        | Additional Paid in Capital                 | 743,591,641      | 753,769,530        |         | 762,464,608      |         | 1,005,644,409    |        |
| 4        | Retained Earnings                          | 122,539,108      | 122,539,108        |         | 122,539,108      |         | 122,539,108      |        |
| 5        | Accum. Other Comprehensive Income          | (834,334)        | 49,102             |         | (3,416,276)      |         | (14,529,156)     |        |
| 6        | Current Year Net Income                    | 29,540,708       | 87,845,673         |         | 92,610,573       |         | 86,226,591       |        |
| 7        | Dividends                                  | (15,744,239)     | (31,615,527)       |         | (47,615,294)     |         | (66,736,243)     |        |
| 8        | Total Shareholders Equity                  | 879,351,883      | 932,849,079        |         | 926,845,628      |         | 1,133,458,776    |        |
| 9        |  |                  |                    |         |                  |         |                  |        |
| 10       | Long term Debt (including curr maturities) | 867,900,009      | 872,717,450        |         | 869,184,266      |         | 867,218,846      |        |
| 11       | Total capitalization                       | 1,747,251,892    | 1,805,566,529      |         | 1,796,029,894    |         | 2,000,677,622    |        |
| 12       |  |                  |                    |         |                  |         |                  |        |
| 13       | Short term debt                            | 191,794,967      | 0                  |         | 0                |         | 0                |        |
| 14       | Total                                      | \$ 1,939,046,859 | \$ 1,805,566,529   |         | \$ 1,796,029,894 |         | \$ 2,000,677,622 |        |
| 15       |  |                  |                    |         |                  |         |                  |        |
| 16       |  |                  |                    |         |                  |         |                  |        |
| 17       |  |                  |                    |         |                  |         |                  |        |
| 18       | Long term Debt (including curr maturities) | 867,900,009      | 44.76% 872,717,450 | 48.33%  | 869,184,266      | 48.39%  | 867,218,846      | 43.35% |
| 19       | Short term debt                            | 191,794,967      | 9.89% 0            | 0.00%   | 0                | 0.00%   | 0                | 0.00%  |
| 20       | Equity Capital                             | 879,351,883      | 45.35% 932,849,079 | 51.67%  | 926,845,628      | 51.61%  | 1,133,458,776    | 56.65% |
| 21       |  | 1,939,046,859    | 1,805,566,529      |         | 1,796,029,894    |         | 2,000,677,622    |        |
| 22       |  |                  |                    |         |                  |         |                  |        |
| 23       |  |                  |                    |         |                  |         |                  |        |
| 24       | Long term Debt (including curr maturities) | 867,900,009      | 49.67% 872,717,450 | 48.33%  | 869,184,266      | 48.39%  | 867,218,846      | 43.35% |
| 25       | Equity Capital                             | 879,351,883      | 50.33% 932,849,079 | 51.67%  | 926,845,628      | 51.61%  | 1,133,458,776    | 56.65% |
| 26       |  | 1,747,251,892    | 1,805,566,529      |         | 1,796,029,894    |         | 2,000,677,622    |        |

Capital Structure Summary

Atmos Energy Corporation  
 Kentucky  
 Case No. 2005-00057  
 DR date 3-14-06 Item 80  
 Corrected 12/31/03 Column Headers

| Line No. | Atmos Corporation                          | 12/31/04         | Ratio 12/31/04 | 3/31/05          | Ratio 3/31/05 | 6/30/05          | Ratio 6/30/05 | 9/30/05          | Ratio 9/30/05 | 12/31/05         | Ratio 12/31/05 |
|----------|--|------------------|----------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|----------------|
| 1        | Shareholders Equity:                       |                  |                |                  |               |                  |               |                  |               |                  |                |
| 2        | Common Stock                               | \$ 396,302       |                | \$ 399,400       |               | \$ 401,259       |               | \$ 402,697       |               | \$ 404,264       |                |
| 3        | Additional Paid in Capital                 | 1,393,249,894    |                | 1,408,721,153    |               | 1,416,327,150    |               | 1,426,523,217    |               | 1,434,044,310    |                |
| 4        | Retained Earnings                          | 142,029,456      |                | 142,029,456      |               | 142,029,456      |               | 142,029,456      |               | 178,836,534      |                |
| 5        | Accum. Other Comprehensive Income          | (31,675,475)     |                | (17,770,273)     |               | (21,286,578)     |               | (3,340,581)      |               | (26,138,590)     |                |
| 6        | Current Year Net Income                    | 59,598,882       |                | 148,101,292      |               | 152,587,148      |               | 135,784,729      |               | 71,026,899       |                |
| 7        | Dividends                                  | (24,521,073)     |                | (49,210,456)     |               | (74,048,173)     |               | (98,977,652)     |               | (25,429,048)     |                |
| 8        | Total Shareholders Equity                  | 1,539,077,986    |                | 1,632,270,572    |               | 1,616,010,262    |               | 1,602,421,866    |               | 1,632,744,369    |                |
| 9        |  |                  |                |                  |               |                  |               |                  |               |                  |                |
| 10       | Long term Debt (including curr maturities) | 2,261,069,589    |                | 2,260,704,171    |               | 2,186,880,299    |               | 2,186,367,572    |               | 2,184,783,121    |                |
| 11       | Total capitalization                       | 3,800,147,575    |                | 3,892,974,743    |               | 3,802,890,561    |               | 3,788,789,438    |               | 3,817,527,490    |                |
| 12       |  |                  |                |                  |               |                  |               |                  |               |                  |                |
| 13       | Short term debt                            | 28,797,236       |                | 0                |               | 0                |               | 144,809,035      |               | 474,059,145      |                |
| 14       | Total                                      | \$ 3,828,944,811 |                | \$ 3,892,974,743 |               | \$ 3,802,890,561 |               | \$ 3,933,598,473 |               | \$ 4,291,586,635 |                |
| 15       |  |                  |                |                  |               |                  |               |                  |               |                  |                |
| 16       |  |                  |                |                  |               |                  |               |                  |               |                  |                |
| 17       |  |                  |                |                  |               |                  |               |                  |               |                  |                |
| 18       | Long term Debt (including curr maturities) | 2,261,069,589    | 59.05%         | 2,260,704,171    | 58.07%        | 2,186,880,299    | 57.51%        | 2,186,367,572    | 55.58%        | 2,184,783,121    | 50.91%         |
| 19       | Short term debt                            | 28,797,236       | 0.75%          | 0                | 0.00%         | 0                | 0.00%         | 144,809,035      | 3.68%         | 474,059,145      | 11.05%         |
| 20       | Equity Capital                             | 1,539,077,986    | 40.20%         | 1,632,270,572    | 41.93%        | 1,616,010,262    | 42.49%        | 1,602,421,866    | 40.74%        | 1,632,744,369    | 38.05%         |
| 21       |  | 3,828,944,811    |                | 3,892,974,743    |               | 3,802,890,561    |               | 3,933,598,473    |               | 4,291,586,635    |                |
| 22       |  |                  |                |                  |               |                  |               |                  |               |                  |                |
| 23       |  |                  |                |                  |               |                  |               |                  |               |                  |                |
| 24       | Long term Debt (including curr maturities) | 2,261,069,589    | 59.50%         | 2,260,704,171    | 58.07%        | 2,186,880,299    | 57.51%        | 2,186,367,572    | 57.71%        | 2,184,783,121    | 57.23%         |
| 25       | Equity Capital                             | 1,539,077,986    | 40.50%         | 1,632,270,572    | 41.93%        | 1,616,010,262    | 42.49%        | 1,602,421,866    | 42.29%        | 1,632,744,369    | 42.77%         |
| 26       |  | 3,800,147,575    |                | 3,892,974,743    |               | 3,802,890,561    |               | 3,788,789,438    |               | 3,817,527,490    |                |

**Capital Structure Summary**

Atmos Energy Corporation  
 Kentucky  
 Case No. 2005-00057  
 DR date 6-14-06 Item 7 f  
 Reference to AG\_1-80  
 Witness: Tom Petersen

| Line<br>No. | Atmos Corporation                          | <u>3/31/06</u>          | <u>Ratio<br/>3/31/06</u> |
|-------------|--|-------------------------|--------------------------|
| 1           | Shareholders Equity:                       |                         |                          |
| 2           | Common Stock                               | \$ 405,386              |                          |
| 3           | Additional Paid in Capital                 | 1,447,733,683           |                          |
| 4           | Retained Earnings                          | 178,836,534             |                          |
| 5           | Accum. Other Comprehensive Income          | (29,574,752)            |                          |
| 6           | Current Year Net Income                    | 159,823,120             |                          |
| 7           | Dividends                                  | (50,933,257)            |                          |
| 8           | Total Shareholders Equity                  | <u>1,706,290,714</u>    |                          |
| 9           |  |                         |                          |
| 10          | Long term Debt (including curr maturities) | <u>2,184,427,797</u>    |                          |
| 11          | Total capitalization                       | <u>3,890,718,511</u>    |                          |
| 12          |  |                         |                          |
| 13          | Short term debt                            | <u>262,315,049</u>      |                          |
| 14          | Total                                      | <u>\$ 4,153,033,560</u> |                          |
| 15          |  |                         |                          |
| 16          |  |                         |                          |
| 17          |  |                         |                          |
| 18          | Long term Debt (including curr maturities) | 2,184,427,797           | 52.60%                   |
| 19          | Short term debt                            | 262,315,049             | 6.32%                    |
| 20          | Equity Capital                             | <u>1,706,290,714</u>    | 41.09%                   |
| 21          |  | <u>4,153,033,560</u>    |                          |
| 22          |  |                         |                          |
| 23          |  |                         |                          |
| 24          | Long term Debt (including curr maturities) | 2,184,427,797           | 56.14%                   |
| 25          | Equity Capital                             | <u>1,706,290,714</u>    | 43.86%                   |
| 26          |  | <u>3,890,718,511</u>    |                          |

Atmos Energy Corporation  
Kentucky  
Case No. 2005-00057  
Attorney General's Second Data Request dated June 14, 2006  
DR Item 8  
Witness: Dan Meziere

Data Request:

With regard to the O&M expenses for FY 2004 and FY 2005 shown in the response to AG-1-49, please provide the following update information:

- a. Actual expenses on a monthly basis for the 6-months from October 2005 through March 2006.
- b. Actual expenses on an annual basis for the twelve-month period ended March 31, 2006.

Response:

- a. The requested information is attached.
- b. The requested information is attached.

**Operating & Maintenance Expenses by FERC Account  
For the Months October 2005 through March 2006**

Atmos Energy Corporation  
Kentucky  
Case Number 2005-00057  
DR date 6-14-06 item 8a Oct 05 - Mar 06  
Reference to AG\_1-49  
Witness: Dan Meziere

| Line No. | Acct No. (S)<br>(a) | Account Title<br>(b)                             | (c)<br>10/31/05 | (d)<br>11/30/05 | (e)<br>12/31/05 | (f)<br>1/31/06 | (g)<br>2/28/06 | (h)<br>3/31/06 |
|----------|---------------------|--|-----------------|-----------------|-----------------|----------------|----------------|----------------|
| 1        |                     | <u>OPERATING EXPENSES</u>                        |                 |                 |                 |                |                |                |
| 2        |                     | <u>Production Expense - Operation</u>            |                 |                 |                 |                |                |                |
| 3        | 7350                | Miscellaneous production expenses                | 0               | 0               | 0               | 0              | 0              | 0              |
| 4        | 7520                | Gas wells expenses                               | 0               | 0               | 0               | 0              | 0              | 250            |
| 5        | 7530                | Field lines expenses                             | 0               | 0               | 0               | 0              | 0              | 0              |
| 6        | 7590                | Other expenses                                   | 0               | 0               | 0               | 0              | 0              | 0              |
| 7        |                     | Total Production Expense - Operation             | 0               | 0               | 0               | 0              | 0              | 250            |
| 8        |                     |  |                 |                 |                 |                |                |                |
| 9        |                     | <u>Natural Gas Storage Expense - Operation</u>   |                 |                 |                 |                |                |                |
| 10       | 8140                | Operation supervision and engineering            | (54)            | (34)            | (176)           | 1,350          | 638            | 1,974          |
| 11       | 8150                | Maps and records                                 | 0               | 0               | 125             | 0              | 0              | 0              |
| 12       | 8160                | Wells expenses                                   | 722             | 3,442           | 3,874           | 2,519          | 3,690          | 4,651          |
| 13       | 8170                | Lines expenses                                   | 705             | 3,510           | 1,379           | 2,544          | 5,212          | 4,183          |
| 14       | 8180                | Compressor station expenses                      | 2,647           | 6,588           | 4,865           | 8,732          | 3,166          | 6,723          |
| 15       | 8190                | Compressor station fuel and power                | 1,012           | 1,284           | 913             | 957            | 857            | 677            |
| 16       | 8200                | Measuring and regulating station expenses        | 480             | 301             | 1,586           | 1,813          | 2,451          | 3,025          |
| 17       | 8210                | Purification expenses                            | 264             | 2,553           | 2,791           | 3,321          | 4,346          | 3,332          |
| 18       | 8240                | Other expenses                                   | 8               | 5               | 20              | 32             | 22             | 22             |
| 19       | 8250                | Storage well royalties                           | 973             | 1,436           | 3,875           | 6,074          | 3,427          | 4,189          |
| 20       | 8260                | Rents  | 0               | 0               | 0               | 0              | 0              | 0              |
| 21       |                     | Total Nat. Gas Storage Expense - Operation       | 6,757           | 19,085          | 19,252          | 27,342         | 23,809         | 28,776         |
| 22       |                     |  |                 |                 |                 |                |                |                |
| 23       |                     | <u>Natural Gas Storage Expense - Maintenance</u> |                 |                 |                 |                |                |                |
| 24       | 8310                | Maintenance of structures and improvements       | 0               | 0               | 0               | 355            | 0              | 148            |
| 25       | 8320                | Maintenance of reservoirs and wells              | 0               | 0               | 0               | 0              | 0              | 0              |
| 26       | 8340                | Maintenance of compressor station equipment      | 24              | 0               | 2,085           | 2,634          | (893)          | 264            |
| 27       | 8350                | Maintenance of regulating station equipment      | 0               | 4,512           | 0               | 101            | 4,508          | 1,306          |
| 28       | 8360                | Maintenance of regulating purification equipment | 0               | 0               | 0               | 0              | 0              | 0              |
| 29       |                     | Total Natural Gas Storage Expense - Maintenance  | 24              | 4,512           | 2,085           | 3,090          | 3,615          | 1,718          |

**Operating & Maintenance Expenses by FERC Account  
For the Months October 2005 through March 2006**

Atmos Energy Corporation  
Kentucky  
Case Number 2005-00057  
DR date 6-14-06 item 8a Oct 05 - Mar 06  
Reference to AG\_1-49  
Witness: Dan Meziere

| Line No. | Acct No. (S)<br>(a) | Account Title<br>(b)                                  | (c)      | (d)      | (e)      | (f)     | (g)     | (h)     |
|----------|---------------------|---|----------|----------|----------|---------|---------|---------|
|          |                     |   | 10/31/05 | 11/30/05 | 12/31/05 | 1/31/06 | 2/28/06 | 3/31/06 |
| 1        |                     | <u>Other Storage Expenses - Operation</u>             |          |          |          |         |         |         |
| 2        | 8400                | Operation supervision and engineering                 | 0        | 0        | 280      | 0       | 0       | 27      |
| 3        | 8410                | Operation labor and expenses                          | 0        | 0        | 0        | 0       | 0       | 0       |
| 4        | 8420                | Rents   | 0        | 0        | 0        | 0       | 0       | 0       |
| 5        |                     | Other Storage Expense - Operation                     | 0        | 0        | 280      | 0       | 0       | 27      |
| 6        |                     |   |          |          |          |         |         |         |
| 7        |                     | <u>Transmission Expenses - Operation</u>              |          |          |          |         |         |         |
| 8        | 8500                | Operation supervision and engineering                 | 4,284    | 2,742    | 3,491    | 3,526   | 3,299   | 4,576   |
| 9        | 8510                | System control and load dispatching                   | 0        | 0        | 0        | 0       | 0       | 0       |
| 10       | 8530                | Compressor station labor and expenses                 | 0        | 0        | 0        | 0       | 0       | 0       |
| 11       | 8560                | Mains expenses  | 13,948   | 15,387   | 20,917   | 16,413  | 27,632  | 15,238  |
| 12       | 8570                | Measuring and regulating station expenses             | 12,014   | 6,421    | 8,065    | 8,569   | 2,684   | 5,650   |
| 13       | 8590                | Other expenses  | 0        | 0        | 0        | 0       | 0       | 324     |
| 14       | 8600                | Rents   | 0        | 0        | 0        | 0       | 0       | 0       |
| 15       |                     | Total Transmission Expenses - Operation               | 30,246   | 24,550   | 32,473   | 28,508  | 33,615  | 25,788  |
| 16       |                     |   |          |          |          |         |         |         |
| 17       |                     | <u>Transmission Expenses - Maintenance</u>            |          |          |          |         |         |         |
| 18       | 8610                | Maintenance supervision and engineering               | 0        | 0        | 0        | 0       | 0       | 0       |
| 19       | 8620                | Maintenance of structures and improvements            | 0        | 0        | 3,042    | 0       | 0       | 0       |
| 20       | 8630                | Maintenance of mains                                  | 11,988   | 9,545    | 969      | (99)    | 2,096   | 3,015   |
| 21       | 8640                | Maintenance of compressor station equipment           | 0        | 0        | 0        | 0       | 0       | 0       |
| 22       | 8650                | Maintenance of measuring and regulating station equip | 3,572    | 3,198    | 2,700    | 5,467   | 4,312   | 1,332   |
| 23       |                     | Total Transmission Expenses - Maintenance             | 15,560   | 12,743   | 6,711    | 5,368   | 6,408   | 4,347   |

**Operating & Maintenance Expenses by FERC Account  
For the Months October 2005 through March 2006**

Atmos Energy Corporation  
Kentucky  
Case Number 2005-00057  
DR date 6-14-06 item 8a Oct 05 - Mar 06  
Reference to AG\_1-49  
Witness: Dan Meziere

| Line No. | Acct No. (S)<br>(a) | Account Title<br>(b)                                  | (c)         | (d)          | (e)          | (f)          | (g)          | (h)          |
|----------|---------------------|---|-------------|--------------|--------------|--------------|--------------|--------------|
|          |                     |   | 10/31/05    | 11/30/05     | 12/31/05     | 1/31/06      | 2/28/06      | 3/31/06      |
| 1        |                     | <u>Purchased Gas Cost - Operation</u>                 |             |              |              |              |              |              |
| 2        | 8030                | Natural gas transmission line purchases. purchases    | 0           | 0            | 0            | 0            | 0            | 0            |
| 3        | 8040                | Natural gas city gate purchases                       | 23,372,238  | 24,110,309   | 5,271,525    | 18,631,001   | 16,544,847   | 4,247,232    |
| 4        | 8045                | Transportation to city gate                           | 1,481,204   | 2,055,191    | 2,500,427    | 2,601,211    | 2,579,534    | 2,029,781    |
| 5        | 8051                | Purchased gas cost adjustments - residential          | 2,749,409   | 7,162,047    | 19,340,190   | 21,815,930   | 19,868,287   | 18,888,894   |
| 6        | 8052                | Purchased gas cost adjustments - commercial           | 2,261,491   | 3,321,751    | 8,398,150    | 9,326,410    | 8,684,022    | 7,914,607    |
| 7        | 8053                | Purchased gas cost adjustments - industrial           | 1,255,559   | 1,262,236    | 3,209,164    | 2,547,925    | 2,095,031    | 2,855,926    |
| 8        | 8054                | Purchased gas cost adjustments - public authorities   | 557,094     | 1,080,890    | 2,317,788    | 2,624,394    | 2,344,311    | 2,302,168    |
| 9        | 8057                | Purchased gas cost adjustments - transportation sales | -           | 9,374        | 11,324       | 529,296      | 161,795      | (691,090)    |
| 10       | 8058                | Unbilled purchased gas cost adjustments - cost        | 6,082,672   | 10,736,905   | 10,379,758   | (5,136,653)  | 4,563,200    | (10,383,735) |
| 11       | 8059                | PGA offset to unrecovered gas cost                    | (7,464,376) | (15,288,622) | (22,439,221) | (37,668,886) | (29,083,775) | (21,039,073) |
| 12       | 8060                | Exchange gas  | (9,950,165) | 537,708      | 15,227,151   | 5,228,053    | 2,310,252    | 2,820,636    |
| 13       | 8070                | Purchsed gas expenses.                                | 0           | 0            | 0            | 0            | 0            | 0            |
| 14       | 8081                | Gas withdrawn from storage-Debit                      | 15,560      | 298,977      | 4,367,606    | 11,254,143   | 8,221,546    | 11,941,424   |
| 15       | 8082                | Gas delivered to storage-Credit                       | (7,454,460) | (11,713,562) | (4,927,487)  | (45,521)     | (572,403)    | 0            |
| 16       | 8120                | Gas used for other utility operations-Credit          | (3,318)     | (1,001)      | (20,006)     | 6,345        | 14,406       | 9,985        |
| 17       | 8130                | Other gas supply expenses                             | 15,708      | 15,708       | 15,708       | 15,708       | 15,708       | 3,281        |
| 18       |                     | Total Purchased Gas Cost                              | 12,918,616  | 23,587,911   | 43,652,077   | 31,729,356   | 37,746,761   | 20,900,036   |

**Operating & Maintenance Expenses by FERC Account  
For the Months October 2005 through March 2006**

Atmos Energy Corporation  
Kentucky  
Case Number 2005-00057  
DR date 6-14-06 item 8a Oct 05 - Mar 06  
Reference to AG\_1-49  
Witness: Dan Meziere

| Line No. | Acct No. (S)<br>(a) | Account Title<br>(b)  | (c)      | (d)      | (e)      | (f)     | (g)     | (h)     |
|----------|---------------------|---|----------|----------|----------|---------|---------|---------|
|          |                     |   | 10/31/05 | 11/30/05 | 12/31/05 | 1/31/06 | 2/28/06 | 3/31/06 |
| 1        |                     | <u>Distribution Expenses - Operation</u>                        |          |          |          |         |         |         |
| 2        | 8700                | Operation supervision and engineering                           | 148,001  | 150,993  | 176,727  | 141,048 | 130,256 | 252,273 |
| 3        | 8710                | Distribution load dispatching                                   | (206)    | 0        | 10       | 72      | 12      | 11      |
| 4        | 8711                | Odorization   | 519      | (120)    | 0        | 0       | 0       | 0       |
| 5        | 8720                | Compressor station labor and expenses                           | 0        | 0        | 0        | 0       | 0       | 0       |
| 6        | 8740                | Mains and services expenses                                     | 194,361  | 198,489  | 129,804  | 212,787 | 215,607 | 223,563 |
| 7        | 8750                | Measuring and regulating station expenses - General             | 14,777   | 11,976   | 23,281   | 8,728   | 8,964   | 13,538  |
| 8        | 8760                | Measuring and regulating station expenses - Industrial          | 15,250   | 12,076   | 12,395   | 13,280  | 12,822  | 12,935  |
| 9        | 8770                | Measuring and regulating station expenses - City gate check sta | 4,751    | 12,252   | 10,883   | 7,899   | 2,829   | 9,315   |
| 10       | 8780                | Meter and house regulator expenses                              | 92,387   | 124,173  | 115,124  | 86,880  | 95,501  | 84,580  |
| 11       | 8790                | Customer installations expenses                                 | 8,333    | 7,896    | 9,481    | 5,011   | 7,985   | 9,729   |
| 12       | 8800                | Other expenses  | 8,712    | 6,765    | 7,508    | 4,812   | 5,587   | 3,160   |
| 13       | 8810                | Rents   | 36,933   | 37,185   | 43,647   | 57,650  | 40,557  | 52,669  |
| 14       |                     | Total Distribution Expenses - Operation                         | 523,818  | 561,685  | 528,860  | 538,167 | 520,120 | 661,773 |
| 15       |                     |   |          |          |          |         |         |         |
| 16       |                     | <u>Distribution Expenses - Maintenance</u>                      |          |          |          |         |         |         |
| 17       | 8850                | Maintenance supervision and engineering                         | 23,908   | 24,350   | 29,088   | 29,116  | 26,949  | 26,775  |
| 18       | 8860                | Maintenance of structures and improvements                      | 310      | 1,242    | 716      | 658     | 372     | 351     |
| 19       | 8870                | Maintenance of mains  | 670      | 1,551    | (2,532)  | 6,874   | 5,548   | (397)   |
| 20       | 8890                | Maintenance of measuring and regulating station equipment - G   | 0        | 0        | 0        | 0       | 0       | 0       |
| 21       | 8900                | Maintenance of measuring and regulating station equipment - In  | 538      | 4,678    | 2,178    | (3,489) | (123)   | 72      |
| 22       | 8910                | Maintenance of measuring and regulating station equipment - Ci  | 6,716    | 2,530    | 2,210    | 0       | (120)   | 0       |
| 23       | 8920                | Maintenance of services   | 514      | 682      | 121      | 399     | 598     | (117)   |
| 24       | 8930                | Maintenance of meters and house regulators                      | 2        | 854      | (112)    | (42)    | 3       | 3       |
| 25       | 8940                | Maintenance of other equipment                                  | 753      | 866      | 1,255    | 307     | 1,026   | 1,896   |
| 26       | 8950                | Maintenance of other plant                                      | 300      | 0        | 2,278    | 0       | 0       | 0       |
| 27       |                     | Total Distribution Expenses - Maintenance                       | 33,711   | 36,753   | 35,202   | 33,823  | 34,253  | 28,583  |



Atmos Energy Corporation  
 Kentucky  
 Case Number 2005-00057  
 DR date 6-14-06 item 8a Oct 05 - Mar 06  
 Reference to AG\_1-49  
 Witness: Dan Meziere

**Operating & Maintenance Expenses by FERC Account  
 For the Months October 2005 through March 2006**

| Line No.  | Acct No. (S) | Account Title (b)   | (c) 10/31/05 | (d) 11/30/05 | (e) 12/31/05 | (f) 1/31/06 | (g) 2/28/06 | (h) 3/31/06 |
|---|--------------|---|--------------|--------------|--------------|-------------|-------------|-------------|
| <u>Customer Accounts Expenses - Operation</u>         |              |   |              |              |              |             |             |             |
| 1   | 9010         | Supervision   | 1,009        | 802          | 51           | 105         | 450         | 122         |
| 2   | 9020         | Meter reading expenses                                    | 64,806       | 80,685       | 83,055       | 83,453      | 77,474      | 75,166      |
| 3   | 9030         | Customer records and collection expenses                  | 91,012       | 98,886       | 108,437      | 130,949     | 170,519     | 129,728     |
| 4   | 9040         | Uncollectible accounts                                    | 112,231      | 69,555       | 206,239      | 151,942     | 183,177     | 99,380      |
| 5   | 9050         | Miscellaneous customer accounts expenses                  | 0            | 0            | 0            | 0           | 0           | 0           |
| 6   |              | Total Customer Accounts Expenses - Operation              | 269,058      | 249,928      | 397,782      | 366,449     | 431,620     | 304,396     |
| 7   |              |   |              |              |              |             |             |             |
| 8   |              |   |              |              |              |             |             |             |
| <u>Customer Service &amp; Information - Operation</u> |              |   |              |              |              |             |             |             |
| 9   | 9070         | Supervision   | 9,495        | 11,904       | 12,595       | 12,660      | 10,341      | 13,446      |
| 10  | 9080         | Customer assistance expenses                              | 11,365       | 12,006       | 12,504       | 12,952      | 12,978      | 13,232      |
| 11  | 9090         | Informational and instructional advertising expenses      | 173          | 1,243        | 4,306        | 1,204       | 3,464       | 1,613       |
| 12  | 9100         | Miscellaneous customer service and informational expenses | 63           | 37           | 28           | 8,579       | 1,954       | 1,111       |
| 13  |              | Total Customer Service & Information - Operation          | 21,096       | 25,190       | 29,433       | 35,395      | 28,737      | 29,402      |
| 14  |              |   |              |              |              |             |             |             |
| 15  |              |   |              |              |              |             |             |             |
| <u>Sales Expense</u>                                  |              |   |              |              |              |             |             |             |
| 16  | 9110         | Supervision   | 10,041       | 3,034        | 2,857        | 7,835       | 4,092       | 2,696       |
| 17  | 9120         | Demonstrating and selling expenses                        | 10,456       | 13,300       | 7,465        | 7,056       | 10,938      | 8,602       |
| 18  | 9130         | Advertising expenses                                      | 0            | 0            | 0            | 473         | 0           | 0           |
| 19  | 9160         | Miscellaneous sales expenses                              | 0            | 0            | 62           | 0           | 0           | 0           |
| 20  |              | Total Sales Expense                                       | 20,497       | 16,334       | 10,384       | 15,364      | 15,030      | 11,298      |
| 21  |              |   |              |              |              |             |             |             |

**Operating & Maintenance Expenses by FERC Account  
For the Months October 2005 through March 2006**

Atmos Energy Corporation  
Kentucky  
Case Number 2005-00057  
DR date 6-14-06 item 8a Oct 05 - Mar 06  
Reference to AG\_1-49  
Witness: Dan Meziere

| Line No. | Acct No. (S) (a) | Account Title (b)  | (c)        | (d)        | (e)        | (f)        | (g)        | (h)        |
|----------|------------------|--|------------|------------|------------|------------|------------|------------|
|          |                  |  | 10/31/05   | 11/30/05   | 12/31/05   | 1/31/06    | 2/28/06    | 3/31/06    |
| 1        |                  | <u>Administrative and General Expenses - Operation</u>   |            |            |            |            |            |            |
| 2        | 9200             | Administrative and general salaries                      | 0          | 0          | 0          | 0          | 0          | 0          |
| 3        | 9210             | Office supplies and expenses                             | (1,399)    | (611)      | 679        | (1,201)    | (418)      | 413        |
| 4        | 9220             | Administrative expenses transferred-Credit               | 324,287    | 373,050    | 449,904    | 402,627    | 358,834    | 303,949    |
| 5        | 9230             | Outside services employed                                | 25,651     | 39,389     | 37,170     | 34,025     | 44,000     | 41,475     |
| 6        | 9240             | Property insurance                                       | 6,818      | 7,268      | 7,725      | 14,567     | 14,827     | 14,368     |
| 7        | 9250             | Injuries and damages                                     | 20,177     | 18,533     | 15,029     | 23,154     | 19,138     | 20,866     |
| 8        | 9260             | Employee pensions and benefits                           | 257,180    | 345,835    | 191,039    | 301,191    | 268,757    | 240,035    |
| 9        | 9270             | Franchise requirements                                   | 11,363     | 495        | 0          | 39,681     | 661        | 480        |
| 10       | 9280             | Regulatory commission expenses                           | 168        | 0          | 0          | 0          | 0          | 0          |
| 11       | 9290             | Duplicate Charges - Credit                               | 0          | 37         | 0          | 0          | 0          | 0          |
| 12       | 9301             | General Advertising Expenses                             | 0          | 0          | 0          | 0          | 0          | 0          |
| 13       | 9302             | Miscellaneous general expenses                           | 13,546     | 10,387     | 8,976      | 9,926      | 8,206      | 4,285      |
| 14       | 9310             | Rents  | 0          | 0          | 0          | 0          | 0          | 0          |
| 15       |                  | Total Administrative and General Expenses - Operation    | 657,791    | 794,383    | 710,522    | 823,970    | 714,005    | 625,871    |
| 16       |                  |  |            |            |            |            |            |            |
| 17       |                  | <u>Administrative and General Expenses - Maintenance</u> |            |            |            |            |            |            |
| 18       | 9320             | Maintenance of general plant                             | 6,808      | 5,072      | 5,072      | 6,108      | 6,287      | 6,087      |
| 19       |                  | Total Administrative and General Expenses - Maintenance  | 6,808      | 5,072      | 5,072      | 6,108      | 6,287      | 6,087      |
| 20       |                  |  |            |            |            |            |            |            |
| 21       |                  | <u>Total Operation and Maintenance Expense</u>           | 14,503,982 | 25,338,146 | 45,430,133 | 33,612,940 | 39,564,260 | 22,628,352 |
| 22       |                  |  |            |            |            |            |            |            |
| 23       | 403-406          | Depreciation and Amortization                            | 959,941    | 967,021    | 974,332    | 948,820    | 933,806    | 938,903    |
| 24       | 4081             | Taxes Other than Income Taxes                            | 290,828    | 330,532    | 294,797    | 278,758    | 384,580    | 297,479    |
| 25       | 4091&4101        | Provision for Federal and State Income Taxes             | 370,880    | 283,919    | 1,242,626  | 1,164,734  | 1,213,775  | 608,491    |
| 26       |                  | TOTAL OPERATING EXPENSE (incl Gas Cost)                  | 16,125,631 | 26,919,618 | 47,941,888 | 36,005,252 | 42,096,421 | 24,473,225 |

Please note: Allocations of Depreciation and Taxes Other were transferred to O & M expense in the monthly reports (Item 1). The Company had historically recorded these allocations to O & M expense and the Company continued to show amounts consistent with this historic process for comparison purposes.

**Operating & Maintenance Expenses by FERC Account  
For the Period 12 Months ended March 31, 2006**

Atmos Energy Corporation  
Kentucky  
Case Number 2005-00057  
DR date 6-14-06 item 8b  
Reference to AG\_1-49  
Witness: Dan Meziere

| Line No. | Acct No. (s)<br>(a) | Account Title<br>(b)                             | Amount<br>(c)                   |
|----------|---------------------|--|---------------------------------|
|          |                     |  | 12 months ended: <b>3/31/05</b> |
| 1        |                     | <u>OPERATING EXPENSES</u>                        |                                 |
| 2        |                     | <u>Production Expense - Operation</u>            |                                 |
| 3        | 7350                | Miscellaneous production expenses                | 0                               |
| 4        | 7520                | Gas wells expenses                               | 250                             |
| 5        | 7530                | Field lines expenses                             | 0                               |
| 6        | 7590                | Other expenses                                   | 0                               |
| 7        |                     | Total Production Expense - Operation             | 250                             |
| 8        |                     |  |                                 |
| 9        |                     | <u>Natural Gas Storage Expense - Operation</u>   |                                 |
| 10       | 8140                | Operation supervision and eng ineering           | 1,790                           |
| 11       | 8150                | Maps and records                                 | 125                             |
| 12       | 8160                | Wells expenses                                   | 38,105                          |
| 13       | 8170                | Lines expenses                                   | 26,268                          |
| 14       | 8180                | Compressor station expenses                      | 54,699                          |
| 15       | 8190                | Compressor station fuel and power                | 6,278                           |
| 16       | 8200                | Measuring and regulating station expenses        | 17,583                          |
| 17       | 8210                | Purification expenses                            | 21,961                          |
| 18       | 8240                | Other expenses                                   | 150                             |
| 19       | 8250                | Storage well royalties                           | 23,798                          |
| 20       | 8260                | Rents  | 1,045                           |
| 21       |                     | Total Nat. Gas Storage Expense - Operation       | 191,802                         |
| 22       |                     |  |                                 |
| 23       |                     | <u>Natural Gas Storage Expense - Maintenance</u> |                                 |
| 24       | 8310                | Maintenance of structures and improvements       | 503                             |
| 25       | 8320                | Maintenance of reservoirs and wells              | 96                              |
| 26       | 8340                | Maintenance of compressor station equipment      | 6,535                           |
| 27       | 8350                | Maintenance of regulating station equipment      | 10,667                          |
| 28       | 8360                | Maintenance of regulating purification equipment | 469                             |
| 29       |                     | Total Natural Gas Storage Expense - Maintenance  | 18,270                          |

**Operating & Maintenance Expenses by FERC Account  
For the Period 12 Months ended March 31, 2006**

Atmos Energy Corporation  
Kentucky  
Case Number 2005-00057  
DR date 6-14-06 item 8b  
Reference to AG\_1-49  
Witness: Dan Meziere

| Line No. | Acct No. (s)<br>(a) | Account Title<br>(b)                                  | Amount<br>(c)  |
|----------|---------------------|---|----------------|
|          |                     | 12 months ended:                                      | <b>3/31/05</b> |
| 1        |                     | <u>Other Storage Expenses - Operation</u>             |                |
| 2        | 8400                | Operation supervision and engineering                 | 1,333          |
| 3        | 8410                | Operation labor and expenses                          | 11,161         |
| 4        | 8420                | Rents   | 0              |
| 5        |                     | Other Storage Expense - Operation                     | <u>12,494</u>  |
| 6        |                     |   |                |
| 7        |                     | <u>Transmission Expenses - Operation</u>              |                |
| 8        | 8500                | Operation supervision and engineering                 | 34,173         |
| 9        | 8510                | System control and load dispatching                   | 0              |
| 10       | 8530                | Compressor station labor and expenses                 | 0              |
| 11       | 8560                | Mains expenses  | 192,033        |
| 12       | 8570                | Measuring and regulating station expenses             | 80,479         |
| 13       | 8590                | Other expenses  | 474            |
| 14       | 8600                | Rents   | 0              |
| 15       |                     | Total Transmission Expenses - Operation               | <u>307,159</u> |
| 16       |                     |   |                |
| 17       |                     | <u>Transmission Expenses - Maintenance</u>            |                |
| 18       | 8610                | Maintenance supervision and engineering               | 0              |
| 19       | 8620                | Maintenance of structures and improvements            | 3,042          |
| 20       | 8630                | Maintenance of mains                                  | 79,565         |
| 21       | 8640                | Maintenance of compressor station equipment           | 0              |
| 22       | 8650                | Maintenance of measuring and regulating station equip | 39,521         |
| 23       |                     | Total Transmission Expenses - Maintenance             | <u>122,128</u> |

**Operating & Maintenance Expenses by FERC Account  
For the Period 12 Months ended March 31, 2006**

Atmos Energy Corporation  
Kentucky  
Case Number 2005-00057  
DR date 6-14-06 item 8b  
Reference to AG\_1-49  
Witness: Dan Meziere

| Line<br>No. | Acct<br>No. (s)<br>(a) | Account<br>Title<br>(b)                               | Amount<br><br>(c)               |
|-------------|------------------------|---|---------------------------------|
|             |                        |   | 12 months ended: <b>3/31/05</b> |
| 1           |                        | <u>Purchased Gas Cost - Operation</u>                 |                                 |
| 2           | 8030                   | Natural gas transmission line purchases. purchases    | 0                               |
| 3           | 8040                   | Natural gas city gate purchases                       | 172,650,243                     |
| 4           | 8045                   | Transportation to city gate                           | 23,592,881                      |
| 5           | 8051                   | Purchased gas cost adjustments - residential          | 111,855,503                     |
| 6           | 8052                   | Purchased gas cost adjustments - commercial           | 51,910,605                      |
| 7           | 8053                   | Purchased gas cost adjustments - industrial           | 17,996,911                      |
| 8           | 8054                   | Purchased gas cost adjustments - public authorities   | 14,479,419                      |
| 9           | 8057                   | Purchased gas cost adjustments - transportation sales | 41,327                          |
| 10          | 8058                   | Unbilled purchased gas cost adjustments - cost        | 14,617,917                      |
| 11          | 8059                   | PGA offset to unrecovered gas cost                    | (192,230,203)                   |
| 12          | 8060                   | Exchange gas  | 2,496,101                       |
| 13          | 8070                   | Purchsed gas expenses.                                | 0                               |
| 14          | 8081                   | Gas withdrawn from storage-Debit                      | 44,055,645                      |
| 15          | 8082                   | Gas delivered to storage-Credit                       | (50,564,660)                    |
| 16          | 8120                   | Gas used for other utility operations-Credit          | 711                             |
| 17          | 8130                   | Other gas supply expenses                             | 82,978                          |
| 18          |                        | Total Purchased Gas Cost                              | <u>210,985,378</u>              |

**Operating & Maintenance Expenses by FERC Account  
For the Period 12 Months ended March 31, 2006**

Atmos Energy Corporation  
Kentucky  
Case Number 2005-00057  
DR date 6-14-06 item 8b  
Reference to AG\_1-49  
Witness: Dan Meziere

| Line No. | Acct No. (s)<br>(a) | Account Title<br>(b)   | Amount<br>(c)  |
|----------|---------------------|--|----------------|
|          |                     | 12 months ended:   | <b>3/31/05</b> |
| 1        |                     | <u>Distribution Expenses - Operation</u>   |                |
| 2        | 8700                | Operation supervision and engineering  | 1,876,156      |
| 3        | 8710                | Distribution load dispatching  | (49)           |
| 4        | 8711                | Odorization  | 399            |
| 5        | 8720                | Compressor station labor and expenses  | 158            |
| 6        | 8740                | Mains and services expenses  | 2,321,531      |
| 7        | 8750                | Measuring and regulating station expenses - General                                  | 138,909        |
| 8        | 8760                | Measuring and regulating station expenses - Industrial                               | 147,931        |
| 9        | 8770                | Measuring and regulating station expenses - City gate check stations                 | 95,763         |
| 10       | 8780                | Meter and house regulator expenses   | 1,071,419      |
| 11       | 8790                | Customer installations expenses  | 99,112         |
| 12       | 8800                | Other expenses   | 61,661         |
| 13       | 8810                | Rents  | 469,089        |
| 14       |                     | Total Distribution Expenses - Operation  | 6,282,079      |
| 15       |                     |  |                |
| 16       |                     | <u>Distribution Expenses - Maintenance</u>   |                |
| 17       | 8850                | Maintenance supervision and engineering  | 269,382        |
| 18       | 8860                | Maintenance of structures and improvements   | 8,437          |
| 19       | 8870                | Maintenance of mains   | 24,294         |
| 20       | 8890                | Maintenance of measuring and regulating station equipment - General                  | 789            |
| 21       | 8900                | Maintenance of measuring and regulating station equipment - Industrial               | 3,854          |
| 22       | 8910                | Maintenance of measuring and regulating station equipment - City gate check stations | 21,093         |
| 23       | 8920                | Maintenance of services  | 7,491          |
| 24       | 8930                | Maintenance of meters and house regulators   | 674            |
| 25       | 8940                | Maintenance of other equipment   | 9,322          |
| 26       | 8950                | Maintenance of other plant   | 2,578          |
| 27       |                     | Total Distribution Expenses - Maintenance  | 347,914        |

**Operating & Maintenance Expenses by FERC Account  
For the Period 12 Months ended March 31, 2006**

Atmos Energy Corporation  
Kentucky  
Case Number 2005-00057  
DR date 6-14-06 item 8b  
Reference to AG\_1-49  
Witness: Dan Meziere

| Line<br>No. | Acct<br>No. (s)<br>(a) | Account<br>Title<br>(b)                                   | Amount<br><br>(c)               |
|-------------|------------------------|---|---------------------------------|
|             |                        |   | 12 months ended: <b>3/31/05</b> |
| 1           |                        | <u>Customer Accounts Expenses - Operation</u>             |                                 |
| 2           | 9010                   | Supervision   | 3,413                           |
| 3           | 9020                   | Meter reading expenses                                    | 769,440                         |
| 4           | 9030                   | Customer records and collection expenses                  | 1,358,119                       |
| 5           | 9040                   | Uncollectible accounts                                    | 2,272,454                       |
| 6           | 9050                   | Miscellaneous customer accounts expenses                  | <u>0</u>                        |
| 7           |                        | Total Customer Accounts Expenses - Operation              | 4,403,426                       |
| 8           |                        |   |                                 |
| 9           |                        | <u>Customer Service &amp; Information - Operation</u>     |                                 |
| 10          | 9070                   | Supervision   | 121,258                         |
| 11          | 9080                   | Customer assistance expenses                              | 133,870                         |
| 12          | 9090                   | Informational and instructional advertising expenses      | 19,360                          |
| 13          | 9100                   | Miscellaneous customer service and informational expenses | <u>13,280</u>                   |
| 14          |                        | Total Customer Service & Information - Operation          | 287,768                         |
| 15          |                        |   |                                 |
| 16          |                        | <u>Sales Expense</u>                                      |                                 |
| 17          | 9110                   | Supervision   | 58,662                          |
| 18          | 9120                   | Demonstrating and selling expenses                        | 126,836                         |
| 19          | 9130                   | Advertising expenses                                      | 573                             |
| 20          | 9160                   | Miscellaneous sales expenses                              | <u>62</u>                       |
| 21          |                        | Total Sales Expense                                       | 186,133                         |

**Operating & Maintenance Expenses by FERC Account  
For the Period 12 Months ended March 31, 2006**

Atmos Energy Corporation  
Kentucky  
Case Number 2005-00057  
DR date 6-14-06 item 8b  
Reference to AG\_1-49  
Witness: Dan Meziere

| Line No. | Acct No. (s)<br>(a) | Account Title<br>(b)                                     | Amount<br>(c)      |
|----------|---------------------|--|--------------------|
|          |                     | 12 months ended:   | <b>3/31/05</b>     |
| 1        |                     | <u>Administrative and General Expenses - Operation</u>   |                    |
| 2        | 9200                | Administrative and general salaries                      | 0                  |
| 3        | 9210                | Office supplies and expenses                             | (11,950)           |
| 4        | 9220                | Administrative expenses transferred-Credit               | 4,041,468          |
| 5        | 9230                | Outside services employed                                | 405,330            |
| 6        | 9240                | Property insurance                                       | 106,369            |
| 7        | 9250                | Injuries and damages                                     | 333,721            |
| 8        | 9260                | Employee pensions and benefits                           | 2,630,993          |
| 9        | 9270                | Franchise requirements                                   | 136,374            |
| 10       | 9280                | Regulatory commission expenses                           | 169                |
| 11       | 9290                | Duplicate Charges - Credit                               | 37                 |
| 12       | 9301                | General Advertising Expenses                             | 0                  |
| 13       | 9302                | Miscellaneous general expenses                           | 89,098             |
| 14       | 9310                | Rents  | 751                |
| 15       |                     | Total Administrative and General Expenses - Operation    | <u>7,732,360</u>   |
| 16       |                     |  |                    |
| 17       |                     | <u>Administrative and General Expenses - Maintenance</u> |                    |
| 18       | 9320                | Maintenance of general plant                             | <u>60,581</u>      |
| 19       |                     | Total Administrative and General Expenses - Maintenance  | 60,581             |
| 20       |                     |  |                    |
| 21       |                     | <u>Total Operation and Maintenance Expense</u>           | 230,937,742        |
| 22       |                     |  |                    |
| 23       | 403-406             | Depreciation and Amortization                            | 11,696,985         |
| 24       | 4081                | Taxes Other than Income Taxes                            | 3,499,819          |
| 25       | 4091&4101           | Provision for Federal and State Income Taxes             | <u>4,924,009</u>   |
| 26       |                     | TOTAL OPERATING EXPENSE (incl Gas Cost)                  | <u>251,058,555</u> |

Please note: Allocations of Depreciation and Taxes Other were transferred to O & M expense in the monthly reports (Item 1). The Company had historically recorded these allocations to O & M expense and the Company continued to show amounts consistent with this historic process for comparison purposes.



Atmos Energy Corporation  
Kentucky  
Case No. 2005-00057  
Attorney General's Second Data Request dated June 14, 2006  
DR Item 9  
Witness: Gary Smith

Data Request:

The response to AG-1-40 indicates that AEC-KY's total employee level was 241 in FY 2004, 236 in FY 2005 and 229 in the 6-month period after FY 2005. Please explain the reasons for this decreasing trend in the level of employees.

In addition, explain whether this trend is a result of a workforce reduction program implemented by the Company. If so, provide all relevant details regarding this program.

Response:

The Company has no workforce reduction programs in place at this time, and had no such programs at any time during the referenced period.

The data provided in AG 1-40 cites statistics for the end of the respective periods, and reflects variations attributable only to turnover associated with a relatively higher incidence of retirements, promotions/relocations to other Atmos Energy divisions, resignations, terminations, etc.

When a vacancy occurs, some time is necessary to fill the position with a qualified candidate. In many cases, internal candidates fill promotion opportunities, which results in another vacancy to be filled. The Company is currently in various stages of filling 9 vacant positions in Kentucky, and expects that the employee level will soon rebound to the FY 2005 level, perhaps higher.

Atmos Energy Corporation  
Kentucky  
Case No. 2005-00057  
Attorney General's Second Data Request dated June 14, 2006  
DR Item10  
Witness: Dan Meziere

Data Request:

With regard to the response to AG-1-63, please provide the following information:

- a. Is the response to part c of the data request that 100% of the Company's total incentive compensation expenses shown in the response to parts a and b is a function of reaching financial performance goals, such as EPS? If not, provide a clarification of this response to part c.
- b. Does the financial performance (EPS) goal refer to AEC-KY's EPS or AEC Consolidated's EPS?
- c. Does the response to parts a and b indicate that the following incentive compensation costs have been charged to AEC-KY's O&M expenses in the test year:
  - MIP VIP SS: \$1,416,794 x 5.21% = \$73,915
  - MIP VIP Kentucky \$138,635
  - Restr. Stck SS: \$1,202,109 x 5.21%= \$62,630
  - Restr. Stck Kentuckv \$33,806
  - Total \$308,886

If this is not correct, provide the correct answer.

Response:

- a. MIP VPP Incentive Plan costs are based on earnings per share (EPS). The Long Term Incentive Plan costs are based either on EPS (Performance Based Restricted Stock) or the lapse of time (Time Lapsed Restricted Stock). The breakout of costs for performance based restricted stock and time lapsed restricted stock is provided in the table below. We believe EPS is an effective measure of the company's overall performance, both in a financial regard and with respect to operational efficiency, safety and customer service.

Restricted Stock (\$)

|        | Time Lapse | EPS (Performance Based) | Total  |
|--------|------------|-------------------------|--------|
| Co 010 | 34,567     | 28,063                  | 62,630 |
| Co 040 | 19,484     | 14,322                  | 33,806 |
|        | 54,051     | 42,385                  | 96,436 |

- b. The EPS performance goals are for Atmos Energy Corporation's consolidated results.
- c. We agree with all of the amounts presented except for the allocation of MIP VPP SS which should be \$73,815.

Atmos Energy Corporation  
Kentucky  
Case No. 2005-00057  
Attorney General's Second Data Request dated June 14, 2006  
DR Item11  
Witness: Greg Waller

Data Request:

The response to AG-1-71 shows that total fines and penalty expenses of \$8,723.18 are included in the test year. Provide a worksheet showing what portion of this expense amount represents AEC-KY's allocated expense share.

Response:

| <u>Service Area</u> | <u>Total</u> | <u>Allocation %</u> | <u>KY Share</u> |
|---------------------|--------------|---------------------|-----------------|
| 2000 – Shr Svcs     | \$8,609.62   | 5.21%               | \$448.56        |
| 9000 – KY           | \$113.56     | 100%                | \$113.56        |
| Total               | \$8,723.18   |                     | \$562.12        |

Atmos Energy Corporation  
Kentucky  
Case No. 2005-00057  
Attorney General's Second Data Request dated June 14, 2006  
DR Item 12  
Witness: Dan Meziere

Data Request:

With regard to the response to AG-1-66 (I&D expenses), please provide the following information:

- a. Indicate what percentage of the total 010 - Shared Services expenses is allocated to AEC-KY.
- b. Explain the reasons for the very large D&O insurance expenses of \$3.3 million (FY 2004) and \$5.1 million (FY 2005) that the Company started as compared to the corresponding insurance expenses in the years 1998 through 2003. In addition, indicate whether the test year expense of \$5.1 million can be considered representative of ongoing conditions in the near-term future.

Response:

- a. Please refer to the attached exhibits for the allocation of 010 shared services expenses to AEC-KY.
- b. Prior to FY 2003 liability and D&O insurance were recorded directly in the divisions in subaccounts 07112 and 07119. In FY 2003, insurance was consolidated in the 04070 subaccount still directly in the divisions. Beginning in FY 2004, liability and D&O insurance were recorded in Sub 07119 in Shared Services. As shown in the table below, Liability Insurance costs are the primary component of the increase from FY 2004 to FY 2005. Liability Insurance costs have risen primarily due to recent claim history and the addition of the former TXU gas operations.

|           | <b>FY ending<br/>Sep-2005</b> | <b>FY ending<br/>Sep-2004</b> |
|-----------|-------------------------------|-------------------------------|
| D&O       | 1,818,622                     | 1,922,063                     |
| Liability | <u>3,291,406</u>              | <u>1,391,665</u>              |
| Total     | 5,110,028                     | 3,313,727                     |

Atmos Energy Corporation  
 Kentucky  
 Case Number 2005-00057  
 DR date 6-14-06 item 12 a  
 Reference AG DR 1-66-1

| <b>Cost Center</b> | <b>Oct-04</b>     | <b>Nov-04</b>     | <b>Dec-04</b>     | <b>Jan-05</b>     | <b>Feb-05</b>     | <b>Mar-05</b>     |
|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 1107               | -                 |                   | 570.00            | 635.00            | 29.70             |                   |
| 1108               | 2,074.90          |                   |                   | 569.51            |                   | 463.47            |
| 1112               | -                 |                   |                   |                   |                   |                   |
| 1203               |                   |                   |                   |                   |                   |                   |
| 1401               | -                 |                   |                   |                   |                   |                   |
| 1463               | 34,501.18         | 5,816.00          | (4,716.51)        | 5,816.00          | 166,957.39        | 6,886.39          |
| 1903               | -                 |                   |                   |                   |                   |                   |
| 1915               | 273,964.24        | 515,786.88        | 388,543.47        | 465,036.62        | 452,240.42        | 416,252.28        |
| 1916               |                   |                   |                   |                   |                   |                   |
| <b>Grand Total</b> | <b>310,540.32</b> | <b>521,602.88</b> | <b>384,396.96</b> | <b>472,057.13</b> | <b>619,227.51</b> | <b>423,602.14</b> |

| <b>Percent to KY Division</b> | <b>Oct-04</b> | <b>Nov-04</b> | <b>Dec-04</b> | <b>Jan-05</b> | <b>Feb-05</b> | <b>Mar-05</b> |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 1107                          | 4.780%        | 4.780%        | 4.780%        | 4.780%        | 4.780%        | 4.780%        |
| 1108                          | 7.440%        | 7.440%        | 7.440%        | 7.440%        | 7.440%        | 7.440%        |
| 1112                          | 9.980%        | 9.980%        | 9.980%        | 9.980%        | 9.980%        | 9.980%        |
| 1203                          | 10.900%       | 10.900%       | 10.900%       | 10.900%       | 10.900%       | 11.029%       |
| 1401                          | 4.870%        | 4.870%        | 4.870%        | 4.870%        | 4.870%        | 4.870%        |
| 1463                          | 4.870%        | 4.870%        | 4.870%        | 4.870%        | 4.870%        | 4.870%        |
| 1903                          | 0.000%        | 0.000%        | 0.000%        | 0.000%        | 4.870%        | 4.870%        |
| 1915                          | 4.780%        | 4.780%        | 4.780%        | 4.780%        | 4.780%        | 4.780%        |
| 1953                          | 0.000%        | 0.000%        | 0.000%        | 0.008%        | 0.003%        | 0.000%        |

| <b>Total to KY Division</b> | <b>Oct-04</b>    | <b>Nov-04</b>    | <b>Dec-04</b>    | <b>Jan-05</b>    | <b>Feb-05</b>    | <b>Mar-05</b>    |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| 1107                        | -                | -                | 27.25            | 30.35            | 1.42             | -                |
| 1108                        | 154.37           | -                | -                | 42.37            | -                | 34.48            |
| 1112                        | -                | -                | -                | -                | -                | -                |
| 1203                        | -                | -                | -                | -                | -                | -                |
| 1401                        | -                | -                | -                | -                | -                | -                |
| 1463                        | 1,680.21         | 283.24           | (229.69)         | 283.24           | 8,130.82         | 335.37           |
| 1903                        | -                | -                | -                | -                | -                | -                |
| 1915                        | 13,095.49        | 24,654.61        | 18,572.39        | 22,228.75        | 21,617.09        | 19,896.86        |
| 1916                        | -                | -                | -                | -                | -                | -                |
| <b>Grand Total</b>          | <b>14,930.07</b> | <b>24,937.85</b> | <b>18,369.94</b> | <b>22,584.71</b> | <b>29,749.33</b> | <b>20,266.71</b> |

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| <b>Cost Center</b> | <b>Apr-05</b>     | <b>May-05</b>     | <b>Jun-05</b>     | <b>Jul-05</b>     | <b>Aug-05</b>     | <b>Sep-05</b>     | <b>Total</b>        |
|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| 1107               |                   |                   |                   | 360.00            |                   |                   | 1,594.70            |
| 1108               | (65.00)           | 42.89             | 581.80            | 565.27            | 1,364.10          |                   | 5,596.94            |
| 1112               |                   |                   |                   |                   |                   |                   | -                   |
| 1203               |                   |                   |                   |                   |                   | 115.79            | 115.79              |
| 1401               |                   |                   |                   |                   |                   |                   | -                   |
| 1463               | 7,151.39          | 7,151.39          | 26,968.39         | 7,158.72          | 7,151.39          | 7,151.39          | 277,993.12          |
| 1903               |                   |                   |                   |                   |                   |                   | -                   |
| 1915               | 443,993.77        | 421,609.49        | 395,933.87        | 438,898.26        | 446,886.99        | 450,881.33        | 5,110,027.62        |
| 1916               | (87.30)           |                   |                   |                   |                   | 3.43              | (83.87)             |
| <b>Grand Total</b> | <b>450,992.86</b> | <b>428,803.77</b> | <b>423,484.06</b> | <b>446,982.25</b> | <b>455,402.48</b> | <b>458,151.94</b> | <b>5,395,244.30</b> |

| <b>Percent to KY Division</b> | <b>Apr-05</b> | <b>May-05</b> | <b>Jun-05</b> | <b>Jul-05</b> | <b>Aug-05</b> | <b>Sep-05</b> |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 1107                          | 4.780%        | 4.780%        | 4.780%        | 4.780%        | 4.780%        | 4.780%        |
| 1108                          | 7.440%        | 4.870%        | 4.870%        | 4.870%        | 4.870%        | 4.870%        |
| 1112                          | 9.980%        | 7.440%        | 7.440%        | 7.440%        | 7.440%        | 7.440%        |
| 1203                          | 10.791%       | 5.660%        | 5.660%        | 5.660%        | 5.660%        | 5.660%        |
| 1401                          | 4.870%        | 4.870%        | 4.870%        | 4.870%        | 4.870%        | 4.870%        |
| 1463                          | 4.870%        | 6.160%        | 6.160%        | 6.160%        | 6.160%        | 6.160%        |
| 1903                          | 0.000%        | 0.000%        | 0.000%        | 0.000%        | 0.000%        | 9.980%        |
| 1915                          | 4.780%        | 4.780%        | 4.780%        | 4.780%        | 4.780%        | 4.780%        |
| 1953                          | 0.000%        | 0.000%        | 0.000%        | 0.000%        | 0.022%        | 0.068%        |

| <b>Total to KY Division</b> | <b>Apr-05</b>    | <b>May-05</b>    | <b>Jun-05</b>    | <b>Jul-05</b>    | <b>Aug-05</b>    | <b>Sep-05</b>    | <b>Total</b>      |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| 1107                        | -                | -                | -                | 17.21            | -                | -                | 76.23             |
| 1108                        | (4.84)           | 2.09             | 28.33            | 27.53            | 66.43            | -                | 350.77            |
| 1112                        | -                | -                | -                | -                | -                | -                | -                 |
| 1203                        | -                | -                | -                | -                | -                | 6.55             | 6.55              |
| 1401                        | -                | -                | -                | -                | -                | -                | -                 |
| 1463                        | 348.27           | 440.53           | 1,661.25         | 440.98           | 440.53           | 440.53           | 14,255.26         |
| 1903                        | -                | -                | -                | -                | -                | -                | -                 |
| 1915                        | 21,222.90        | 20,152.93        | 18,925.64        | 20,979.34        | 21,361.20        | 21,552.13        | 244,259.33        |
| 1916                        | -                | -                | -                | -                | -                | 0.00             | 0.00              |
| <b>Grand Total</b>          | <b>21,566.34</b> | <b>20,595.54</b> | <b>20,615.23</b> | <b>21,465.05</b> | <b>21,868.16</b> | <b>21,999.21</b> | <b>258,948.15</b> |

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| Account Service  | (All)       | (All) | Oct-00   | Nov-00   | Dec-00   | Jan-01   | Feb-01   | Mar-01   | Apr-01   | May-01   | Jun-01   | Jul-01   | Aug-01   | Sep-01   | Oct-01   |          |
|--|-------------|-------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| C:\Documents and Settings\Boyce\Local Settings\Temporary Internet Files\OLKAE\FY04\FY04.xls\Pivot Activity |             |       |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
| Sum of Journal Amount  | Cost Center |       | 2,150.79 | 2,150.79 | 2,150.79 | 2,150.79 | 2,150.79 | 2,150.79 | 2,150.79 | 2,150.79 | 2,150.79 | 2,150.79 | 2,150.79 | 2,150.79 | 2,150.79 | 3,391.67 |
| 10   | 1108        |       |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
|  | 1129        |       |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
|  | 1148        |       |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
|  | 1203        |       |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
|  | 1405        |       |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
|  | 1903        |       |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
|  | 1915        |       |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
| <b>10 Total</b>  |             |       | 2,150.79 | 2,150.79 | 2,150.79 | 2,150.79 | 2,150.79 | 2,150.79 | 2,150.79 | 2,150.79 | 2,150.79 | 2,150.79 | 2,150.79 | 2,150.79 | 2,150.79 | 3,391.67 |

|      |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 1108 | 14.08% | 302.83 | 301.76 | 303.05 | 304.77 | 303.26 | 303.48 | 303.48 | 302.19 | 304.55 | 275.30 | 275.30 | 275.30 | 275.09 | 504.34 |
| 1405 |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| 1129 |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| 1148 |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| 1203 |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| 1903 |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| 1915 |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |

Billing rate by CC

|      |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 1108 | 14.03% | 301.76 | 303.05 | 304.77 | 303.26 | 303.48 | 303.48 | 302.19 | 304.55 | 275.30 | 275.30 | 275.30 | 275.09 | 504.34 |
| 1405 |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| 1129 |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| 1148 |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| 1203 |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| 1903 |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| 1915 |        |        |        |        |        |        |        |        |        |        |        |        |        |        |

Billed to KY from CC

Total Billed to KY

Atmos Energy Corporation  
 Kentucky  
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| Account Service  | (All)       | (All) | Nov-01   | Dec-01   | Jan-02   | Feb-02   | Mar-02   | Apr-02   | May-02   | Jun-02   | Jul-02       | Aug-02   | Sep-02   | Oct-02    |
|--|-------------|-------|----------|----------|----------|----------|----------|----------|----------|----------|--------------|----------|----------|-----------|
| <i>c:\Documents and Settings\BoycotLocal\Settings\Temporary\Internet Fil</i> |             |       |          |          |          |          |          |          |          |          |              |          |          |           |
| Sum of Journal Amount  |             |       | 3,391.67 | 3,391.67 | 3,391.67 | 6,783.34 | 6,783.34 | 6,783.34 | 6,783.34 | 6,783.34 | (145,064.84) | 9,765.87 | 9,765.87 | 32,517.15 |
| Company  | Cost Center |       |          |          |          |          |          |          |          |          |              |          |          |           |
| 10   | 1108        |       |          |          |          |          |          |          |          |          |              |          |          |           |
|  | 1129        |       |          |          |          |          |          |          |          |          |              |          |          |           |
|  | 1148        |       |          |          |          |          |          |          |          |          |              |          |          |           |
|  | 1203        |       |          |          |          |          |          |          |          |          |              |          |          |           |
|  | 1405        |       |          |          |          |          |          |          |          |          |              |          |          |           |
|  | 1903        |       |          |          |          |          |          |          |          |          |              |          |          |           |
|  | 1915        |       |          |          |          |          |          |          |          |          |              |          |          |           |
| <b>10 Total</b>  |             |       | 3,391.67 | 3,391.67 | 3,391.67 | 6,783.34 | 6,783.34 | 6,783.34 | 6,783.34 | 6,783.34 | (145,064.84) | 9,765.87 | 9,765.87 | 32,517.15 |

|                           |                    |        |        |        |        |        |        |          |        |          |        |          |        |          |        |          |          |
|---------------------------|--------------------|--------|--------|--------|--------|--------|--------|----------|--------|----------|--------|----------|--------|----------|--------|----------|----------|
| 1108                      | Billing rate by CC | 504.34 | 14.87% | 504.34 | 14.87% | 504.34 | 14.87% | 1,008.68 | 14.87% | 1,008.68 | 14.87% | 1,008.68 | 14.87% | 1,452.18 | 14.87% | 1,452.18 | 4,139.43 |
| 1405                      |                    | 504.34 | 14.87% | 504.34 | 14.87% | 504.34 | 14.87% | 1,008.68 | 14.87% | 1,008.68 | 14.87% | 1,008.68 | 14.87% | 1,452.18 | 14.87% | 1,452.18 | 4,139.43 |
| 1129                      |                    | 504.34 | 14.87% | 504.34 | 14.87% | 504.34 | 14.87% | 1,008.68 | 14.87% | 1,008.68 | 14.87% | 1,008.68 | 14.87% | 1,452.18 | 14.87% | 1,452.18 | 4,139.43 |
| 1148                      |                    | 504.34 | 14.87% | 504.34 | 14.87% | 504.34 | 14.87% | 1,008.68 | 14.87% | 1,008.68 | 14.87% | 1,008.68 | 14.87% | 1,452.18 | 14.87% | 1,452.18 | 4,139.43 |
| 1203                      |                    | 504.34 | 14.87% | 504.34 | 14.87% | 504.34 | 14.87% | 1,008.68 | 14.87% | 1,008.68 | 14.87% | 1,008.68 | 14.87% | 1,452.18 | 14.87% | 1,452.18 | 4,139.43 |
| 1903                      |                    | 504.34 | 14.87% | 504.34 | 14.87% | 504.34 | 14.87% | 1,008.68 | 14.87% | 1,008.68 | 14.87% | 1,008.68 | 14.87% | 1,452.18 | 14.87% | 1,452.18 | 4,139.43 |
| 1915                      |                    | 504.34 | 14.87% | 504.34 | 14.87% | 504.34 | 14.87% | 1,008.68 | 14.87% | 1,008.68 | 14.87% | 1,008.68 | 14.87% | 1,452.18 | 14.87% | 1,452.18 | 4,139.43 |
| <b>Total Billed to KY</b> |                    | 504.34 | 14.87% | 504.34 | 14.87% | 504.34 | 14.87% | 1,008.68 | 14.87% | 1,008.68 | 14.87% | 1,008.68 | 14.87% | 1,452.18 | 14.87% | 1,452.18 | 4,139.43 |



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| Account  | (All)       | (All) | Nov-02    | Dec-02    | Jan-03   | Feb-03   | Mar-03   | Apr-03   | May-03   | Jun-03   | Jul-03   | Oct-03 |
|--|-------------|-------|-----------|-----------|----------|----------|----------|----------|----------|----------|----------|--------|
| Service  | (All)       | (All) |           |           |          |          |          |          |          |          |          |        |
| C:\Documents and Settings\Boyce\Local Settings\Temporary Internet File |             |       |           |           |          |          |          |          |          |          |          |        |
| Sum of Journal Amount  |             |       | 32,517.15 | 28,240.00 | 6,039.59 | 6,039.59 | 6,039.59 | 6,039.59 | 6,039.59 | 6,039.59 | 6,039.59 | 0.00   |
| Company  | Cost Center |       |           |           |          |          |          |          |          |          |          |        |
| 10   | 1108        |       |           |           |          |          |          |          |          |          |          |        |
|  | 1129        |       |           |           |          |          |          |          |          |          |          |        |
|  | 1148        |       |           |           |          |          |          |          |          |          |          |        |
|  | 1203        |       |           |           |          |          |          |          |          |          |          |        |
|  | 1405        |       |           |           |          |          |          |          |          |          |          |        |
|  | 1903        |       |           |           |          |          |          |          |          |          |          |        |
|  | 1915        |       |           |           |          |          |          | 370.50   |          |          |          | 0.00   |
| <b>10 Total</b>  |             |       | 32,517.15 | 28,240.00 | 6,039.59 | 6,039.59 | 6,039.59 | 6,410.09 | 6,039.59 | 6,039.59 | 6,039.59 | 0.00   |

Billing rate by CC

|      |        |        |       |        |        |        |        |        |        |        |        |        |
|------|--------|--------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 1108 | 12.73% | 10.43% | 8.64% | 10.08% | 10.08% | 10.08% | 10.08% | 10.08% | 10.56% | 10.56% | 10.56% | 10.17% |
| 1405 |        |        |       |        |        |        |        |        |        |        |        | 10.17% |
| 1129 |        |        |       |        |        |        |        | 10.08% |        |        |        | 9.88%  |
| 1148 |        |        |       |        |        |        |        |        |        |        |        | 10.17% |
| 1203 |        |        |       |        |        |        |        |        |        |        |        | 11.00% |
| 1903 |        |        |       |        |        |        |        |        |        |        |        | 0      |
| 1915 |        |        |       |        |        |        |        |        |        |        |        | 0      |

Billed to KY from CC

|                           |          |          |        |        |        |        |        |        |        |        |        |   |
|---------------------------|----------|----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---|
| 1108                      | 4,139.43 | 2,945.43 | 521.82 | 608.79 | 608.79 | 608.79 | 608.79 | 608.79 | 637.78 | 637.78 | 637.78 | - |
| 1405                      |          |          |        |        |        |        |        |        |        |        |        | - |
| 1129                      |          |          |        |        |        |        |        | 37.35  |        |        |        | - |
| 1148                      |          |          |        |        |        |        |        |        |        |        |        | - |
| 1203                      |          |          |        |        |        |        |        |        |        |        |        | - |
| 1903                      |          |          |        |        |        |        |        |        |        |        |        | - |
| 1915                      |          |          |        |        |        |        |        |        |        |        |        | - |
| <b>Total Billed to KY</b> | 4,139.43 | 2,945.43 | 521.82 | 608.79 | 608.79 | 608.79 | 608.79 | 646.14 | 637.78 | 637.78 | 637.78 | - |

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|         |       |
|---------|-------|
| Account | (All) |
| Service | (All) |

C:\Documents and Settings\Boyce\Local Settings\Temporary Internet Fil

| Sum of Journal Amount |             | Nov-03             | Dec-03             | Jan-04           | Feb-04             | Mar-04            | Apr-04            | May-04           | Jun-04           | Jul-04           | Aug-04           | Sep-04              |
|-----------------------|-------------|--------------------|--------------------|------------------|--------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|---------------------|
| Company               | Cost Center |                    |                    |                  |                    |                   |                   |                  |                  |                  |                  |                     |
| 10                    | 1108        |                    |                    |                  |                    |                   |                   |                  |                  |                  |                  |                     |
|                       | 1129        |                    |                    |                  |                    |                   |                   |                  | 651.67           |                  |                  |                     |
|                       | 1148        |                    |                    |                  |                    |                   |                   |                  |                  | 117.00           |                  |                     |
|                       | 1203        |                    |                    |                  |                    |                   | 1,359.45          |                  |                  |                  | 50.00            |                     |
|                       | 1405        |                    |                    |                  |                    |                   |                   |                  |                  |                  |                  |                     |
|                       | 1903        |                    |                    |                  |                    |                   |                   |                  |                  |                  |                  | 1,127,000.00        |
|                       | 1915        | (38,975.66)        | (66,612.25)        | 43,161.19        | (13,645.30)        | (1,664.72)        | 324,101.23        | 10,931.94        | 10,931.94        | 12,157.95        | 12,157.95        | 12,157.95           |
| <b>10 Total</b>       |             | <b>(38,975.66)</b> | <b>(66,612.25)</b> | <b>43,161.19</b> | <b>(13,645.30)</b> | <b>(1,664.72)</b> | <b>325,460.68</b> | <b>10,931.94</b> | <b>11,583.61</b> | <b>12,274.95</b> | <b>12,207.95</b> | <b>1,139,157.95</b> |

Billing rate by CC

|             |        |        |        |        |        |        |        |        |        |        |        |        |
|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>1108</b> | 10.17% | 10.17% | 10.17% | 10.17% | 10.17% | 10.17% | 10.17% | 10.17% | 10.17% | 10.17% | 10.17% | 10.17% |
| <b>1405</b> | 10.17% | 10.17% | 10.17% | 10.17% | 10.17% | 10.17% | 10.17% | 10.17% | 10.17% | 10.17% | 10.17% | 10.17% |
| <b>1129</b> | 9.88%  | 9.88%  | 9.88%  | 9.88%  | 9.88%  | 9.88%  | 9.88%  | 9.88%  | 9.88%  | 9.88%  | 9.88%  | 9.88%  |
| <b>1148</b> | 10.17% | 10.17% | 10.17% | 10.17% | 10.17% | 10.17% | 10.17% | 10.17% | 10.17% | 10.17% | 10.17% | 10.17% |
| <b>1203</b> | 11.00% | 11.00% | 11.00% | 11.00% | 11.00% | 11.00% | 11.00% | 11.00% | 11.00% | 11.00% | 11.00% | 11.00% |
| <b>1903</b> | 0.00%  | 0.00%  | 10.17% | 10.17% | 10.17% | 0.00%  | 0.00%  | 0.00%  | 0      | 0      | 10.17% | 0.00%  |
| <b>1915</b> | 9.88%  | 9.88%  | 9.88%  | 9.88%  | 9.88%  | 9.88%  | 9.88%  | 9.88%  | 9.88%  | 9.88%  | 9.88%  | 9.88%  |

Billed to KY from CC

|             |            |            |          |            |          |           |          |          |          |          |          |          |
|-------------|------------|------------|----------|------------|----------|-----------|----------|----------|----------|----------|----------|----------|
| <b>1108</b> | -          | -          | -        | -          | -        | -         | -        | -        | -        | -        | -        | -        |
| <b>1405</b> | -          | -          | -        | -          | -        | -         | -        | -        | -        | -        | -        | -        |
| <b>1129</b> | -          | -          | -        | -          | -        | -         | -        | -        | 64.38    | -        | -        | -        |
| <b>1148</b> | -          | -          | -        | -          | -        | -         | -        | -        | -        | 11.90    | -        | -        |
| <b>1203</b> | -          | -          | -        | -          | -        | -         | 149.54   | -        | -        | -        | 5.50     | -        |
| <b>1903</b> | -          | -          | -        | -          | -        | -         | -        | -        | -        | -        | -        | -        |
| <b>1915</b> | (3,850.80) | (6,581.29) | 4,264.33 | (1,348.16) | (164.47) | 32,021.20 | 1,080.08 | 1,080.08 | 1,080.08 | 1,201.21 | 1,201.21 | 1,201.21 |

Total Billed to KY

|  |            |            |          |            |          |           |          |          |          |          |          |          |
|--|------------|------------|----------|------------|----------|-----------|----------|----------|----------|----------|----------|----------|
|  | (3,850.80) | (6,581.29) | 4,264.33 | (1,348.16) | (164.47) | 32,170.74 | 1,080.08 | 1,144.46 | 1,213.10 | 1,206.71 | 1,201.21 | 1,201.21 |
|--|------------|------------|----------|------------|----------|-----------|----------|----------|----------|----------|----------|----------|

Atmos Energy Corporation  
Kentucky  
Case No. 2005-00057  
Attorney General's Second Data Request dated June 14, 2006  
DR Item 13  
Witness: Greg Waller

Data Request:

With regard to the response to AG-1-75, please provide detailed descriptions (issued by the AGA or by any NARUC audits) of the AGA activities listed at the bottom of the response.

Response:

The following descriptions were provided to Atmos Energy by the American Gas Association ("AGA"). AGA cites the source of the descriptions as the "Audit Report on the Expenditures of the American Gas Association (For the 12 month period ended December 31, 2001)" which was issued by NARUC in March of 2005. AGA has prepared the description for "Advertising", however, since that category is new and is not found in the referenced NARUC report.

Advertisement manages the development and placement of advertisements in national print and electronic media.

Corporate Affairs provides opportunities for interaction between member companies and the financial community. The focus is to promote interest in the investment opportunities in the industry.

General and Administrative includes:

1. Office of the President provides senior management guidance for all AGA activities.
2. Human Resources develops and administers employee programs and provides office and personnel services.
3. Finance and Administration develops and administers financial accounting and treasury services and maintains computer services capability.

General Counsel provides legal counsel to the Association.

Industry Finance and Administration develops and implements programs in such area as accounting, human resources, and risk management for member companies.

Operations and Engineering Management develops and implements programs and practices to meet the operational, safety, and engineering needs of the industry.

Policy, Planning, and Regulatory Affairs includes:

1. Policy & Analysis identifies the need for and conducts energy analyses and modeling efforts in the areas of gas supply and demand, economics, and the environment.
2. Regulatory Affairs provides members with information on FERC and state regulatory developments; prepares testimony, comments, and filings regarding regulatory activities.

Public Affairs provides members with information on legislative development; prepares testimony, comments, and filings regarding legislative activities, lobbies on behalf of the industry. It also includes Communications, which develops informational material for member companies and consumers and coordinates all media activity.

Atmos Energy Corporation  
Kentucky  
Case No. 2005-00057  
Attorney General's Second Data Request dated June 14, 2006  
DR Item 14  
Witness: Greg Waller

Data Request:

With regard to the response to AG-1-64, please provide a worksheet showing how much of the "service Area 2000" expenses of \$151,227 are allocable to AEC-KY's O&M expenses.

Response:

| <u>Service Area</u> | <u>Total</u> | <u>Allocation %</u> | <u>KY Share</u> |
|---------------------|--------------|---------------------|-----------------|
| 2000 – Shr Svcs     | \$151,227.17 | 4.78%               | \$7228.66       |

Atmos Energy Corporation  
Kentucky  
Case No. 2005-00057  
Attorney General's Second Data Request dated June 14, 2006  
DR Item 15  
Witness: Dan Meziere

Data Request:

With regard to the response to AG-1-55, explain whether the full amount of \$21,543 was allocated to AEC-KY O&M expense. If not, provide the portion of the \$21,543 that is allocable to AEC-KY.

Response:

\$14,205 of the total was allocated to AEC-KY. See the attached schedule.

| Line No.                         | a            | b          | c           | d               | e             | f         | g          | h          |
|----------------------------------|--------------|------------|-------------|-----------------|---------------|-----------|------------|------------|
| FY 2005 Charitable Contributions |              |            |             |                 |               |           | Allocation | Total      |
| Sum of Journal Amount            |              |            |             |                 |               |           | Rate to    | Allocation |
|                                  | Service Area | Account    | Sub Account | Sub Description | Line Item     | Total     | Ky         | to KY      |
| 1                                | 2000         | 9210       | 7520        | Donations       | RBMM          | 4,140.73  |            |            |
| 2                                |              |            |             |                 | Reddy, John P | 60.00     |            |            |
| 3                                |              | 9210 Total |             |                 |               | 4,200.73  |            |            |
| 4                                | 2000 Total   |            |             |                 |               | 4,200.73  | 4.78%      | 200.79     |
| 5                                | 9000         | 8700       | 7520        | Donations       | HOMES BY BENN | 100.00    |            |            |
| 6                                |              | 8700 Total |             |                 |               | 100.00    |            |            |
| 7                                |              | 9130       | 7520        | Donations       | HIGH SCHOOL S | 100.00    |            |            |
| 8                                |              | 9130 Total |             |                 |               | 100.00    |            |            |
| 9                                |              | 9302       | 7520        | Donations       | GLASGOW BARRE | 2,500.00  |            |            |
| 10                               |              |            |             |                 | GREATER OWENS | 1,850.00  |            |            |
| 11                               |              |            |             |                 | HANCOCK COUNT | 150.00    |            |            |
| 12                               |              |            |             |                 | HENDERSON COU | 50.00     |            |            |
| 13                               |              |            |             |                 | HHS FOOTBALL  | 40.00     |            |            |
| 14                               |              |            |             |                 | HOPKINSVILLE  | 185.80    |            |            |
| 15                               |              |            |             |                 | KENTUCKY CHAM | 4,750.00  |            |            |
| 16                               |              |            |             |                 | KENTUCKY SHRM | 1,250.00  |            |            |
| 17                               |              |            |             |                 | MCLEAN COUNTY | 390.00    |            |            |
| 18                               |              |            |             |                 | MERCER CHAMBE | 473.00    |            |            |
| 19                               |              |            |             |                 | MESSENGER THE | 700.00    |            |            |
| 20                               |              |            |             |                 | OWENSBORO MES | 1,015.00  |            |            |
| 21                               |              |            |             |                 | PRINCETON CAL | 250.00    |            |            |
| 22                               |              | 9302 Total |             |                 |               | 13,603.80 |            |            |
| 23                               | 9000 Total   |            |             |                 |               | 13,803.80 | 100.00%    | 13,803.80  |
| 24                               | 12000        | 9210       | 7520        |                 | Floden, David | 168.40    |            |            |
| 25                               |              |            |             |                 | Panger, Jan G | 318.61    |            |            |
| 26                               |              |            |             |                 | Mitchell, Ter | 68.41     |            |            |
| 27                               |              |            |             |                 | BANK OF AMERI | 24.58     |            |            |
| 28                               |              |            |             |                 | GRACE PRESBYT | 200.00    |            |            |
| 29                               |              |            |             |                 | AMARILLO WOME | 50.00     |            |            |
| 30                               |              |            |             |                 | Brewer, James | 404.00    |            |            |
| 31                               |              |            |             |                 | BIG BROTHERS  | 680.00    |            |            |
| 32                               |              |            |             |                 | Brister, Ben  | 2.57      |            |            |
| 33                               |              |            |             |                 | AMARILLO CHAM | 600.00    |            |            |
| 34                               |              |            |             |                 | KACV PUBLIC T | 1,000.00  |            |            |
| 35                               |              |            |             |                 | Estelle-Ammon | 21.64     |            |            |
| 36                               |              | 9210 Total |             |                 |               | 3,538.21  |            |            |
| 37                               | 12000 Total  |            |             |                 |               | 3,538.21  | 5.66%      | 200.26     |
| 38                               | Grand Total  |            |             |                 |               | 21,542.74 |            | 14,204.86  |

Atmos Energy Corporation  
Kentucky  
Case No. 2005-00057  
Attorney General's Second Data Request dated June 14, 2006  
DR Item 16  
Witness: Dan Meziere & Greg Waller

Data Request:

With regard to the response to AG-1-38, please provide the following information:

- a. Do all of the expenses listed in this response represent expenses charged to AEC-KY's O&M expenses? If not, provide a worksheet showing what expenses are charged to AEC-KY's O&M expenses.
- b. Which membership dues listed in the response to AG-1-38-1 represent dues for Social and Service Clubs?
- c. Please provide a breakout and description of the total Service Award expenses of \$47,061 listed in the response to AG-1-38-4.

Response:

- a. No, not all of the expenses listed in this response represent expenses charged to AEC-KY's O&M expenses. The amounts on worksheet 38-2 (account 4261) and on worksheet 38-8 (account 4264) of the company's original response are charged below-the-line.
- b. In the Company's opinion, only those expenses shown on lines 5, 6, 7, 8, and 26 of page 1 of the attachment to AG-1-38 would be classified as "Social and Service Club" dues. The total of those line items for FY 2005 is \$1,987. All other entries are for dues to business and industry associations (Chambers of Commerce, Homebuilder Associations, Economic Development organizations, etc.). Attached is an amended schedule which shows the "payee" of these business association expenses.

Please note, however, that line 12 (on page 1) represents Kentucky's share of the company's American Gas Association ("AGA") dues. Please refer to data requests AG-1-75 and AG-2-13 for additional information about the AGA expenses.

- c. The attachment provides the breakout and description of Service Award expenses. \$9,333 was for the expense of the Service Awards Banquet, \$35,087 was associated with the gifts for award recipients and \$2,642 represents the balance in the accrual account at the end of the fiscal year. The accrual is related to a uniform allotment expensed each month as a reserve toward actual costs. When gifts are awarded, the costs are then applied to the accrual reserve balance.

**Service Awards  
Fiscal Year 2005**

Atmos Energy Corporation  
Kentucky  
Case Number 2005-00057  
DR dated 6-14-06 Item 16c  
Page 1 of 2

| Line No. | Code (a) | Gift Selection (b)                       | Total Gift Amount (c) |
|----------|----------|--|-----------------------|
| 1        | G38      | VIVICAM 5100 5.0MPX.                     | \$ 215.79             |
| 2        | G42      | 12 GALLON WET/DRY VAC                    | 211.62                |
| 3        | G42      | 12 GALLON WET/DRY VAC                    | 211.90                |
| 4        | G48      | CHAR-BROIL OUTDOOR FIREPLACE.            | 207.00                |
| 5        |          | Total for level G                        | <u>846.31</u>         |
| 6        | S20      | HOWARD MILLER JENNELLE WALL CLOCK.       | 694.04                |
| 7        | S28      | HOWARD MILLER CHERISH CURIO GRANDFATHER. | 905.46                |
| 8        | S29      | SAUDER WOODLAND OAK FINISH WALL SYSTEM.  | 719.85                |
| 9        | S30      | ROSS XTREME 21 SPEED BIKE.               | 720.70                |
| 10       | S35      | SONY HOME THEATER SYSTEM                 | 663.47                |
| 11       | S37      | SONY 27 INCH TELEVISION                  | 855.25                |
| 12       | S39      | OLYMPUS SP-310 DIGITAL CAMERA.           | 696.49                |
| 13       | S43      | SONY 27 INCH TELEVISION                  | 767.17                |
| 14       | S47      | SONY HI8 DIGITAL CAMCORDER               | 765.82                |
| 15       | S47      | SONY HI8 DIGITAL CAMCORDER               | 765.82                |
| 16       | S47      | SONY HI8 DIGITAL CAMCORDER               | 767.82                |
| 17       |          | Total for level S                        | <u>8,321.89</u>       |
| 18       | U11      | 14K GEOMETRIC DIAMOND RING               | 1,085.67              |
| 19       | U30      | PHILIPS 27 INCH TV/DVD/VCR               | 1,129.91              |
| 20       |          | Total for level U                        | <u>2,215.58</u>       |
| 21       | V02      | 14K PAVE DIAMOND EARRINGS                | 1,291.36              |
| 22       | V09      | 14K DIAMOND BRACELET                     | 1,251.25              |
| 23       | V31      | SONY MINIDV HANDYCAM CAMCORDER.          | 1,116.89              |
| 24       | V32      | SONY 8.1 MEGA PIXEL DIGITAL CAMERA       | 1,210.22              |
| 25       |          | Total for level V                        | <u>4,869.72</u>       |
| 26       | W02      | 14K DIAMOND MENS\ RING                   | 1,480.64              |
| 27       | W13      | HOWARD MILLER GAVIN GRANDFATHER CLOCK.   | 1,812.51              |
| 28       | W26      | FALLSWORTH GRANDFATHER                   | 1,779.85              |
| 29       | W30      | WEBER SUMMIT GOLD B4 GRILL.              | 1,604.13              |
| 30       |          | Total for level W                        | <u>6,677.13</u>       |
| 31       | X24      | HOWARD MILLER STEWART GRANDFATHER CLOCK. | 2,406.93              |
| 32       | X25      | RECLINER & OTTO 9815-075 N.              | 2,242.97              |
| 33       |          | Total for level X                        | <u>4,649.90</u>       |
| 34       | Z27      | 56 INCH TV                               | 2,815.47              |
| 35       |          | Total for level Z                        | <u>2,815.47</u>       |
| 36       |          | Gift Sub - total                         | 30,396.00             |
| 37       |          | Presentation Boxes                       | 4,690.85              |
| 38       |          | Banquet Costs (See Page 2)               | 9,332.59              |
| 39       |          | Accrual Account Balance                  | 2,641.94              |
| 40       |          | Banquet and Award Costs                  | <u>47,061.38</u>      |



**Service Awards  
Fiscal Year 2005**

Atmos Energy Corporation  
Kentucky  
Case Number 2005-00057  
DR dated 6-14-06 Item 16c  
Page 2 of 2

| Line<br>No. | Description<br>(a)   | Amount<br>(b) |
|-------------|--|---------------|
| 1           | RiverPark Center - Room rental and concessions   | \$ 1,306.86   |
| 2           | Executive In Rivermont - Rooms for out of town employees<br>as well as hospitality room. | 3,970.53      |
| 3           | Progress Printing - Service Awards Brochures   | 800.79        |
| 4           | Moonlite Bar-B-Que   | 2,719.45      |
| 5           | Door prizes - Decorations, misc.   | <u>534.96</u> |
| 6           | Banquet Costs  | \$ 9,332.59   |

**Membership Fees**  
**For the Twelve Months ended September 30, 2005**

Atmos Energy Corporation  
Kentucky  
Case Number 2005-00057  
DR date 6-14-06 item 16 b  
Reference AG DR 1-38-1

| Line No. | Account No. | Account Description  | Total Amount | Jurisdictional % | Jurisdiction | Payee  |
|----------|-------------|----------------------|--------------|------------------|--------------|--|
|          | (a)         | (b)                  | (c)          | (d)              | (e)          | (f)  |
| 1        | Various     | Kentucky Oil         | \$ 111       | <u>100.00%</u>   | \$ 111       | Kentucky Oil and Gas Association                   |
| 2        | Various     | Public Affairs       | 720          |                  | 720          | Public Affairs Council                             |
| 3        | Various     | SHRM Owensboro       | 40           |                  | 40           | Soc. HR Managers - Owensboro                       |
| 4        | Various     | Campbellsville       | 14           |                  | 14           | Campbellsville Taylor County Chamber of Commerce   |
| 5        | Various     | Higdon, Thomas       | 617          |                  | 617          |  |
| 6        | Various     | Loyal, Stephen       | 90           |                  | 90           |  |
| 7        | Various     | Paris, John          | 925          |                  | 925          |  |
| 8        | Various     | Simon, Pearl         | 105          |                  | 105          |  |
| 9        | Various     | Commerce Cent.       | 141          |                  | 141          | Commerce Center, Hopkinsville-Christian County, KY |
| 10       | Various     | Hopkinsville         | 30           |                  | 30           | Commerce Center, Hopkinsville-Christian County, KY |
| 11       | Various     | Society for H.       | 160          |                  | 160          | Society for Human Resource Management              |
| 12       | 7510        | Association Dues     | 33,168       |                  | 33,168       | American Gas Association (AGA)                     |
| 13       | Various     | AIK                  | 1,050        |                  | 1,050        | Associated Industries of Kentucky                  |
| 14       | Various     | Anderson Coun.       | 150          |                  | 150          | Anderson County Chamber of Commerce                |
| 15       | Various     | Bowling Green        | 7,500        |                  | 7,500        | Bowling Green Area Chamber of Commerce             |
| 16       | Various     | Breckenridge C.      | 125          |                  | 125          | Breckinridge Co Chamber of Commerce                |
| 17       | Various     | Cadiz Trigg C.       | 450          |                  | 450          | Cadiz/Trigg Co. Chamber of Commerce                |
| 18       | Various     | Caldwell coun        | 160          |                  | 160          | Caldwell Co. E. M. S. Membership Plan              |
| 19       | Various     | Caldwell, Lyon       | 500          |                  | 500          | Caldwell Lyon Partnership                          |
| 20       | Various     | Campbellsville       | 100          |                  | 100          | Campbellsville Taylor County Chamber of Commerce   |
| 21       | Various     | Central City         | 140          |                  | 140          | Central City-Muhl Co. Chamber of Commerce          |
| 22       | Various     | Chamber of Comm.     | 75           |                  | 75           | Cave City Chamber of Commerce                      |
| 23       | Various     | Crittended Co        | 325          |                  | 325          | Crittenden County Chamber of Commerce              |
| 24       | Various     | Danville Boyle       | 692          |                  | 692          | Danville-Boyle County Chamber of Commerce          |
| 25       | Various     | Dawson Spring        | 100          |                  | 100          | Dawson Springs Chamber of Commerce                 |
| 26       | Various     | Eagle Ambassa        | 250          |                  | 250          |  |
| 27       | Various     | Economic Development | 3,000        |                  | 3,000        | Economic Development Board                         |
| 28       | Various     | Franklin SMP         | 1,725        |                  | 1,725        | Franklin-Simpson County Chamber of Commerce        |

**Membership Fees**  
**For the Twelve Months ended September 30, 2005**

Atmos Energy Corporation  
Kentucky  
Case Number 2005-00057  
DR date 6-14-06 item 16 b  
Reference AG DR 1-38-1

| Line No. | Account No. | Account Description | Total Amount | Jurisdictional % | Jurisdiction | Payee  |
|----------|-------------|---------------------|--------------|------------------|--------------|--|
|          | (a)         | (b)                 | (c)          | (d)              | (e)          | (f)  |
| 1        | Various     | Glasgow Barre.      | 1,250        |                  | 1,250        | Glasgow-Barren County Chamber of Commerce                  |
| 2        | Various     | Grand Rivers        | 100          |                  | 100          | Grand Rivers Chamber of Commerce                           |
| 3        | Various     | Greater Owens.      | 630          |                  | 630          | Greater Owensboro Chamber of Commerce                      |
| 4        | Various     | Greensburg Gr.      | 65           |                  | 65           | Greensburg-Green County Chamber of Commerce                |
| 5        | Various     | Greenville Mu.      | 124          |                  | 124          | Greenville Muhlenberg Co. Chamber of Comm.                 |
| 6        | Various     | Hancock Count.      | 100          |                  | 100          | Hancock County Chamber of Commerce                         |
| 7        | Various     | Hart County C.      | 200          |                  | 200          | Hart County Chamber of Commerce                            |
| 8        | Various     | HBA of the BL.      | 260          |                  | 260          | Home Builders Association of the Bluegrass                 |
| 9        | Various     | Heart of Danv       | 250          |                  | 250          | Heart of Danville  |
| 10       | Various     | Henderson Cou.      | 500          |                  | 500          | Henderson Chamber of Commerce                              |
| 11       | Various     | Home Builders       | 860          |                  | 860          | Home Builders Association of Hopkinsville                  |
| 12       | Various     | Hopkinsville        | 1,258        |                  | 1,258        | The Chamber, Hopkinsville, Christian County                |
| 13       | Various     | Industry Inc.       | 6,000        |                  | 6,000        | Owensboro Chamber of Commerce & Economic Development Corp. |
| 14       | Various     | Kentucky Gas        | 2,710        |                  | 2,710        | Kentucky Gas Association                                   |
| 15       | Various     | Lebanon Mario       | 400          |                  | 400          | Lebanon-Marion County Chamber of Commerce                  |
| 16       | Various     | Lincoln Count.      | 75           |                  | 75           | Lincoln County Chamber of Commerce                         |
| 17       | Various     | Logan County        | 500          |                  | 500          | Logan County Chamber of Commerce and Econ. Develop. Comm.  |
| 18       | Various     | Lyon County C       | 75           |                  | 75           | Lyon County Chamber of Commerce                            |
| 19       | Various     | Madisonville        | 470          |                  | 470          | Madisonville hopkins County Chamber of Comm.               |
| 20       | Various     | Marshall Coun.      | 257          |                  | 257          | Marshall County Chamber of Commerce                        |
| 21       | Various     | Mayfield Frav.      | 750          |                  | 750          | Mayfield-Graves County Chamber of Commerce                 |
| 22       | Various     | McLean County       | 150          |                  | 150          | McLean County Chamber of Commerce                          |
| 23       | Various     | Ohio County C.      | 300          |                  | 300          | Ohio County Chamber of Commerce                            |
| 24       | Various     | Owensboro Ass.      | 100          |                  | 100          | Owensboro Assn. of Plumbing & Heating Contractors, Inc.    |
| 25       | Various     | Paducah Area        | 771          |                  | 771          | Paducah Area Chamber of Commerce                           |
| 26       | Various     | Princeton Cal       | 500          |                  | 500          | Princeton/Caldwell Co. Chamber of Commerce                 |
| 27       | Various     | Purchase Part       | 2,500        |                  | 2,500        | Purchase Partnership for Progress                          |
| 28       | Various     | Shelby County       | 550          |                  | 550          | Shelby County Chamber of Commerce                          |

**Membership Fees  
For the Twelve Months ended September 30, 2005**

Atmos Energy Corporation  
Kentucky  
Case Number 2005-00057  
DR date 6-14-06 item 16 b  
Reference AG DR 1-38-1

| Line No. | Account No. | Account Description | Total Amount     | Jurisdictional % | Jurisdiction     | Payee   |
|----------|-------------|---------------------|------------------|------------------|------------------|---|
|          | (a)         | (b)                 | (c)              | (d)              | (e)              | (f)   |
| 1        | Various     | Springfield W.      | 125              |                  | 125              | Springfield-Washington County Chamber of Commerce |
| 2        | Various     | Three Rivers        | 210              |                  | 210              | Three Rivers Home Builders Assn.                  |
| 3        | Various     | Webster Count       | 100              |                  | 100              | Webster Co. Economic Development Corp.            |
| 4        | Various     | Western Kentu.      | 450              |                  | 450              | Western KY Const Assoc -AGC                       |
| 5        |             |                     |                  |                  |                  |   |
| 6        |             |                     | <u>\$ 75,053</u> |                  | <u>\$ 75,053</u> |   |

Atmos Energy Corporation  
Kentucky  
Case No. 2005-00057  
Attorney General's Second Data Request dated June 14, 2006  
DR Item 17  
Witness: Dan Meziere & Greg Waller

Data Request:

Please provide a listing and description of all employee party, outing and gift expenses (that are not already included in the response to AG-1-38-4) included in AEC-KY's test year above-the-line O&M expenses.

Response:

|                       |         |
|-----------------------|---------|
| Christmas parties (6) | \$7,164 |
| Golf outings (2)      | \$2,610 |
| Summer picnic         | \$3,945 |