

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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JUN 19 2006
PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:)
)
APPLICATION OF ATMOS ENERGY)
CORPORATION FOR APPROVAL OF) Case No.
THIRD PARTY GAS SUPPLY) 2006-00194
AGREEMENT AND FOR A DEVIATION)
FROM THE PRICING REQUIREMENTS)
OF KRS 278.2207)

PETITION FOR CONFIDENTIALITY OF INFORMATION
BEING FILED WITH KENTUCKY PUBLIC SERVICE COMMISSION
IN RESPONSE TO DATA REQUESTS
OF COMMISSION STAFF

Atmos Energy Corporation ("Atmos") respectfully petitions the Kentucky Public Service Commission ("Commission"), pursuant to 807 KAR 5:001, Section 7, and all other applicable law, for confidential treatment of the certain information being provided in response to the Initial Data Request of Commission Staff to Atmos Energy Corporation dated June 9, 2006 which is attached hereto. In support of this Petition, Atmos states as follows:

1. In its Initial Data Request 1(b), Commission staff has requested copies of the timely responses received by Atmos to the Request for Proposal ("RFP") issued by the Company to 26 prospective bidders. Data Request 1(c) requests the analysis Atmos performed to determine the best bid. Data Request 2(c) requests a pricing comparison between the new contract and the previous contract. These documents contain sensitive and confidential information and are entitled to be filed confidentially.
2. In response to Initial Data Request 2(b), Atmos is providing a revised copy of Exhibit A to its new contract with Atmos Energy Marketing. The contract had

been filed with the Application in this Case under a Petition for Confidentiality on May 10, 2006. On May 15, 2006, the Commission granted the requested confidential treatment of the contract. The replacement Exhibit A to the new contract is entitled to be filed confidentially.

3. KRS 61.872(1) requires information filed with the Commission to be available for public inspection unless specifically exempted by statute. Exemptions from this requirement are provided in KRS 61.878(1). KRS 61.878(1)(c)(1) exempts commercial information, confidentially disclosed to the Commission which if made public would permit an unfair commercial advantage to competitors of the parties from whom the information was obtained. To qualify for the exemption, actual competition must be demonstrated, as well as a likelihood of substantial competitive injury if the information is publicly disclosed. Competitive injury occurs when disclosure of the information gives competitors an unfair business advantage.
4. In Data Request 1(b), Commission staff has requested copies of the timely responses received by Atmos to its Request for Proposal ("RFP"). In accordance with Section 8 of our RFP, which is provided in response to Data Request 1(a), the Company assured bidders that reasonable care would be exercised so the proposal data would not be disclosed or used without the respondent's permission, except to meet regulatory filing requirements. Further, Atmos stated that "such data filed for regulatory requests shall be filed as confidential information."
5. In Data Request 1(c), Commission staff requests a copy of the analysis Atmos performed to determine the best bid. A similar request was made in Commission Staff's Data Request dated August 9, 2002 in Case No. 2002-00245. Confidentiality was granted for all information relating to pricing of bids and

calculations of dollar savings. The names of the parties supplying the bids, however, were not deemed confidential. The Company is requesting confidentiality of those elements of the analysis dealing with the pricing provisions of each bid.

6. In Data Request 2(c), the Company is providing a computation estimating gas cost savings under the new contract and compares the savings to those achieved under the previous contract. Details of pricing provisions for the new and previous contracts are entitled to confidential treatment.
7. As the Commission is well aware, Atmos must compete for both gas supply and gas transportation services in the deregulated world of natural gas acquisition and transportation. Disclosure of the information sought to be protected in this Petition would allow Atmos' competitors to gain confidential information about Atmos' gas purchasing and transportation costs and strategies. This information would enable competitors to identify Atmos' low cost supplier and if the attached information contains terms more favorable than theirs, they could, and would, attempt to outbid or otherwise interfere with Atmos and its gas supplier. It would also enable those competitors to negotiate similar terms with other gas suppliers, thereby depriving Atmos of the commercial benefits it enjoys by negotiating the attached gas supply agreement.
8. Additionally, to the extent that Atmos chooses or is compelled, in the future, to purchase gas supply or transportation services from other suppliers or potential suppliers, disclosure of the information contained in the attached contract would reveal the prices and terms Atmos has agreed to pay for gas supply and transportation services. Suppliers with that information, who might otherwise offer a lower price, would have no incentive to offer any price lower than that currently being paid by Atmos.

9. Except for the parties to the RFP process or the AEM Agreement, the information sought to be protected is not known outside Atmos and is not disseminated within Atmos except to those employees with a legitimate business need to know and act upon the information.
10. The Company's RFP promised that parties would keep the bid information confidential. This provision recognizes that the parties could be competitively damaged if the terms of their proposals were made publicly available to their competitors, including specifically those unregulated competitors who would have no corresponding requirement to make a public disclosure of the terms of their gas supply agreements.
11. Pursuant to 807 KAR 5:001, Section 7 (3), temporary confidentiality of the attached agreement should be maintained until the Commission enters an order as to the Petition. Once the order regarding confidentiality has been issued, Atmos would have twenty (20) days to seek alternative remedies pursuant to 807 KAR 5:001, Section 7 (4).

WHEREFORE, Atmos petitions the Commission to treat as confidential the information referenced herein and attached hereto in its entirety, which is included in the attached one volume marked "CONFIDENTIAL".

Respectfully submitted this 16 day of June, 2006.



Mark R. Hutchinson
611 Frederica Street
Owensboro, Kentucky 42301

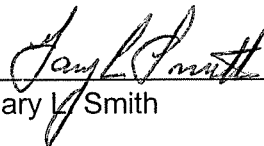
Douglas Walther
Atmos Energy Corporation
P. O. Box 650250
Dallas, Texas 75265

John N. Hughes
124 W. Todd Street
Frankfort, Kentucky 40601

Attorneys for Atmos Energy

VERIFICATION

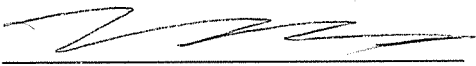
I, Gary L. Smith, being duly sworn under oath, state that I am Vice President of Regulatory Affairs for Atmos Energy Corporation, Kentucky Division, and that the statements contained in the foregoing Petition are true as I verily believe.



Gary L. Smith

CERTIFICATE OF SERVICE

I hereby certify that on the 16 day of June, 2006, the original of this Petition, with the Confidential information for which confidential treatment is sought, together with ten (10) copies of the Petition without the confidential information, were filed with the Kentucky Public Service Commission, 211 Sower Blvd., Frankfort, Kentucky 40602.



Mark R. Hutchinson