



**RECEIVED**

**JUN 30 2008**

**PUBLIC SERVICE  
COMMISSION**

June 27, 2008

Ms. Stephanie Stumbo, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602

Re: Case No. 2008-00000 *00240*

Dear Ms. Stumbo:

We are filing the enclosed original and three (3) copies of a notice under the provisions of our Gas Cost Adjustment Clause, Case No. 2008-*240*. **This filing contains a Petition of Confidentiality and confidential documents.**

Please indicate receipt of this filing by stamping and dating the enclosed duplicate of this letter and returning it in the self-addressed stamped envelope to the following address:

Atmos Energy Corporation  
5430 LBJ Freeway, Suite 600  
Dallas, TX 75240

If you have any questions, feel free to call me at 972-855-3115.

Sincerely,

A handwritten signature in cursive script that reads "Judy Dunlap".

Judy Dunlap  
Rate Analyst

Enclosures

**RECEIVED**

JUN 30 2008

**PUBLIC SERVICE  
COMMISSION**

**COMMONWEALTH OF KENTUCKY  
BEFORE THE  
KENTUCKY PUBLIC SERVICE COMMISSION**

In the Matter of:

GAS COST ADJUSTMENT        )  
FILING OF                        )  
ATMOS ENERGY CORPORATION    )

Case No. 2008-00000

00240

NOTICE

QUARTERLY FILING

For The Period

August 1, 2008 – October 31, 2008

Attorney for Applicant

Mark R. Hutchinson  
611 Frederica Street  
Owensboro, Kentucky 42301

June 27, 2008

Atmos Energy Corporation, ("the Company"), is duly qualified under the laws of the Commonwealth of Kentucky to do its business. The Company is an operating public utility engaged in the business of purchasing, transporting and distributing natural gas to residential, commercial and industrial users in western and central Kentucky. The Company's principal operating office and place of business is 2401 New Hartford Road, Owensboro, Kentucky 42303. Correspondence and communications with respect to this notice should be directed to:

Mark A. Martin  
Vice President –  
Rates & Regulatory Affairs, Kentucky/Mid-States Division  
Atmos Energy Corporation  
2401 New Hartford Road  
Owensboro, Kentucky 42303

Mark R. Hutchinson  
Attorney for Applicant  
611 Frederica Street  
Owensboro, Kentucky 42301

Judy Dunlap  
Rate Analyst, Rate Administration  
Atmos Energy Corporation  
5430 LBJ Freeway, Suite 600  
Dallas, Texas 75240

The Company gives notice to the Kentucky Public Service Commission, hereinafter "the Commission", pursuant to the Gas Cost Adjustment Clause contained in the Company's settlement gas rate schedules in Case No. 99-070.

The Company hereby files Twenty-Ninth Revised Sheet No. 4, Twenty-Ninth Revised Sheet No. 5 and Twenty-Ninth Sheet No. 6 to its PSC No. 1, Rates, Rules and Regulations for Furnishing Natural Gas to become effective August 1, 2008.

The Gas Cost Adjustment (GCA) for firm sales service is \$15.6678 per Mcf and \$14.7588 per Mcf for interruptible sales service. The supporting calculations for the Twenty-Ninth Revised Sheet No. 5 are provided in the following Exhibits:

Exhibit A - Summary of Derivations of Gas Cost Adjustment (GCA)

Exhibit B - Expected Gas Cost (EGC) Calculation

Exhibit C - Rates used in the Expected Gas Cost (EGC) Calculation

Exhibit D - Correction Factor (CF) Calculation

Since the Company's last GCA filing, Case No. 2008-00196, the following changes have occurred in its pipeline and gas supply commodity rates for the GCA period.

1. The commodity rates per MMbtu used are based on historical estimates and/or current data for the period August 1, 2008 through October 31, 2008, as shown in Exhibit C, page 20.
2. The G-1 Expected Commodity Gas Cost will be approximately \$14.9199 MMbtu for the period August 1, 2008 through October 31, 2008, as compared to \$13.5571 per MMbtu used for the period of July 2008. The G-2 Expected Commodity Gas Cost will be approximately \$14.0109 for the period August 1, 2008 through October 31, 2008, as compared to \$12.6481 for July 2008.

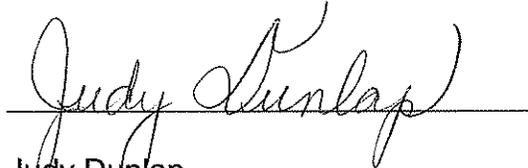
3. The Company's notice sets out a new Correction Factor of \$0.6510 per Mcf, which will remain in effect until at least October 31, 2008.

The GCA tariff as approved in Case No. 92-558 provides for a Correction Factor (CF) which compensates for the difference between the expected gas cost and the actual gas cost for prior periods. A revision to the GCA tariff effective December 1, 2001, Filing No. T62-1253, provides that the Correction Factor be filed on a quarterly basis. The Company is filing its updated Correction Factor that is based upon the balance in the Company's Account 191 as of May 31, 2008.

WHEREFORE, Atmos Energy Corporation requests this Commission, pursuant to the Commission's order in Case No. 99-070, to approve the Gas Cost Adjustment (GCA) as filed in Twenty-Ninth Revised Sheet No. 5; and Twenty-Ninth Revised Sheet No. 6 setting out the General Transportation Tariff Rate T-2 for each respective sales rate for meter readings made on and after August 1, 2008.

DATED at Dallas, Texas this 27th Day of June 2008.

ATMOS ENERGY CORPORATION

By:   
Judy Dunlap  
Rate Analyst, Rate Administration  
Atmos Energy Corporation

**ATMOS ENERGY CORPORATION**

**Current Rate Summary**

**Case No. 2008-00000**

**Firm Service**

Base Charge:

Residential	-	\$9.35	per meter per month
Non-Residential	-	25.00	per meter per month
Carriage (T-4)	-	250.00	per delivery point per month
Transportation Administration Fee	-	50.00	per customer per meter

**Rate per Mcf<sup>2</sup>**

			<b><u>Sales (G-1)</u></b>		<b><u>Transport (T-2)</u></b>		<b><u>Carriage (T-4)</u></b>		
First	300	<sup>1</sup> Mcf	@	16.8578 per Mcf	@	2.2966 per Mcf	@	1.1900 per Mcf	(I, N, N)
Next	14,700	<sup>1</sup> Mcf	@	16.4208 per Mcf	@	1.8596 per Mcf	@	0.7530 per Mcf	(I, N, N)
Over	15,000	Mcf	@	16.1386 per Mcf	@	1.5774 per Mcf	@	0.4708 per Mcf	(I, N, N)

**Interruptible Service**

Base Charge	-	\$250.00	per delivery point per month
Transportation Administration Fee	-	50.00	per customer per meter

**Rate per Mcf<sup>2</sup>**

			<b><u>Sales (G-2)</u></b>		<b><u>Transport (T-2)</u></b>		<b><u>Carriage (T-3)</u></b>		
First	15,000	<sup>1</sup> Mcf	@	15.3588 per Mcf	@	0.7976 per Mcf	@	0.6000 per Mcf	(I, N, N)
Over	15,000	Mcf	@	15.1388 per Mcf	@	0.5776 per Mcf	@	0.3800 per Mcf	(I, N, N)

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

<sup>2</sup> DSM and R&D Riders may also apply, where applicable.

**ISSUED:** June 27, 2008

**Effective:** August 1, 2008

(Issued by Authority of an Order of the Public Service Commission in Case No. 2008-00000.)

**ISSUED BY:** Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Midstates Division

ATMOS ENERGY CORPORATION

<b>Current Gas Cost Adjustments</b>			
<b>Case No. 2008-00000</b>			
<b><u>Applicable</u></b>			
For all Mcf billed under General Sales Service (G-1) and Interruptible Sales Service (G-2).			
Gas Charge = GCA			
GCA = EGC + CF + RF + PBRRF			
<b><u>Gas Cost Adjustment Components</u></b>	<u>G - 1</u>	<u>G-2</u>	
EGC (Expected Gas Cost Component)	14.9199	14.0109	(I, I)
CF (Correction Factor)	0.6510	0.6510	(R, R)
RF (Refund Adjustment)	0.0000	0.0000	(N, N)
PBRRF (Performance Based Rate Recovery Factor)	<u>0.0969</u>	<u>0.0969</u>	(N, N)
GCA (Gas Cost Adjustment)	<u>\$15.6678</u>	<u>\$14.7588</u>	(I, I)

**ISSUED:** June 27, 2008

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**ISSUED BY:** Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Midstates Division

**ATMOS ENERGY CORPORATION**

**Current Transportation and Carriage**

**Case No. 2008-00000**

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

**System Lost and Unaccounted gas percentage:** 1.95%

				<u>Simple Margin</u>		<u>Non- Commodity</u>		<u>Gross Margin</u>	
<b><u>Transportation Service (T-2)</u></b> <sup>1</sup>									
a) <b><u>Firm Service</u></b>									
First	300	<sup>2</sup>	Mcf @	\$1.1900	+	\$1.1066	=	\$2.2966	per Mcf (N)
Next	14,700	<sup>2</sup>	Mcf @	0.7530	+	1.1066	=	1.8596	per Mcf (N)
All over	15,000		Mcf @	0.4708	+	1.1066	=	1.5774	per Mcf (N)
b) <b><u>Interruptible Service</u></b>									
First	15,000	<sup>2</sup>	Mcf @	\$0.6000	+	\$0.1976	=	\$0.7976	per Mcf (N)
All over	15,000		Mcf @	0.3800	+	0.1976	=	0.5776	per Mcf (N)
<b><u>Carriage Service</u></b> <sup>3</sup>									
<b><u>Firm Service (T-4)</u></b>									
First	300	<sup>2</sup>	Mcf @	\$1.1900	+	\$0.0000	=	\$1.1900	per Mcf
Next	14,700	<sup>2</sup>	Mcf @	0.7530	+	0.0000	=	0.7530	per Mcf
All over	15,000	<sup>2</sup>	Mcf @	0.4708	+	0.0000	=	0.4708	per Mcf
<b><u>Interruptible Service (T-3)</u></b>									
First	15,000	<sup>2</sup>	Mcf @	\$0.6000	+	\$0.0000	=	\$0.6000	per Mcf
All over	15,000		Mcf @	0.3800	+	0.0000	=	\$0.3800	per Mcf

<sup>1</sup> Includes standby sales service under corresponding sales rates. R&D Rider may also apply.

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

<sup>3</sup> Excludes standby sales service.

**ISSUED:** June 27, 2008

**Effective:** August 1, 2008

(Issued by Authority of an Order of the Public Service Commission in Case No. 2008-00000.)

**ISSUED BY:** Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Midstates Division

Line No.	Description	Case No.		Difference
		2008-00196	2008-00000	
		\$/Mcf	\$/Mcf	\$/Mcf
1	<u>G - 1</u>			
2				
3	<u>Distribution Charge (per Case No. 99-070)</u>			
4	First 300 Mcf	1.1900	1.1900	0.0000
5	Next 14,700 Mcf	0.7530	0.7530	0.0000
6	Over 15,000 Mcf	0.4708	0.4708	0.0000
7				
8	<u>Gas Cost Adjustment Components</u>			
9	EGC (Expected Gas Cost):			
10	Commodity	12.4505	13.8133	1.3628
11	Demand	1.1066	1.1066	0.0000
12	Total EGC	13.5571	14.9199	1.3628
13	CF (Correction Factor)	0.8282	0.6510	(0.1772)
14	RF (Refund Adjustment)	0.0000	0.0000	0.0000
15	PBRRF (Performance Based Rate Recovery Factor)	0.0969	0.0969	0.0000
16	GCA (Gas Cost Adjustment)	14.4822	15.6678	1.1856
17				
18	<u>Rate per Mcf (GCA included)</u>			
19	First 300 Mcf	15.6722	16.8578	1.1856
20	Next 14,700 Mcf	15.2352	16.4208	1.1856
21	Over 15,000 Mcf	14.9530	16.1386	1.1856

Line No.	Description	Case No.		Difference
		2008-00196	2008-00000	
		\$/Mcf	\$/Mcf	\$/Mcf
1	<b><u>G - 2</u></b>			
2				
3	<u>Distribution Charge (per Case No. 99-070)</u>			
4	First 15,000 Mcf	0.6000	0.6000	0.0000
5	Over 15,000 Mcf	0.3800	0.3800	0.0000
6				
7	<u>Gas Cost Adjustment Components</u>			
8	EGC (Expected Gas Cost):			
9	Commodity	12.4505	13.8133	1.3628
10	Demand	0.1976	0.1976	0.0000
11	Total EGC	12.6481	14.0109	1.3628
12	CF (Correction Factor)	0.8282	0.6510	(0.1772)
13	RF (Refund Adjustment)	0.0000	0.0000	0.0000
14	PBRRF (Performance Based Rate Recovery Factor)	0.0969	0.0969	0.0000
15	GCA (Gas Cost Adjustment)	13.5732	14.7588	1.1856
16				
17	<u>Rate per Mcf (GCA included)</u>			
18	First 300 Mcf	14.1732	15.3588	1.1856
19	Over 14,700 Mcf	13.9532	15.1388	1.1856
20				
21				
22	<b><u>Refund Factor (RF)</u></b>			
23				
24				
25		<u>Case No.</u>	<u>Effective Date</u>	<u>RF</u>
26				
27	1 -	2007-00263	08/01/07	0.0000
28	2 -	2007-00426	11/01/07	0.0000
29	3 -	2007-00547	02/01/08	0.0000
30	4 -	2008-Current	05/01/08	0.0000
31				
32	Total Refund Factor (RF)			<u>0.0000</u>
33				

Line No.	Description	Case No.		Difference
		2008-00196	2008-00000	
		\$/Mcf	\$/Mcf	\$/Mcf
1	<b><u>T - 2 / Firm Service (High Priority)</u></b>			
2				
3	<u>Simple Margin / Distribution Charge (per Case No. 99-070)</u>			
4	First 300 Mcf	1.1900	1.1900	0.0000
5	Next 14,700 Mcf	0.7530	0.7530	0.0000
6	Over 15,000 Mcf	0.4708	0.4708	0.0000
7				
8	<u>Non-Commodity Components</u>			
9	Demand	1.1066	1.1066	0.0000
10	RF (Refund Adjustment)	0.0000	0.0000	0.0000
11	Total Non-Commodity Components	1.1066	1.1066	0.0000
12				
13	<u>Rate per Mcf (GCA included)</u>			
14	First 300 Mcf	2.2966	2.2966	0.0000
15	Next 14,700 Mcf	1.8596	1.8596	0.0000
16	Over 15,000 Mcf	1.5774	1.5774	0.0000
17				

Line No.	Description	Case No.		Difference
		2008-00196	2008-00000	
		\$/Mcf	\$/Mcf	\$/Mcf
1	<b><u>T-4 Carriage Service / Firm Service (High Priority)</u></b>			
2				
3	<u>Simple Margin / Distribution Charge (per Case No. 99-070)</u>			
4	First 300 Mcf	1.1900	1.1900	0.0000
5	Next 14,700 Mcf	0.7530	0.7530	0.0000
6	Over 15,000 Mcf	0.4708	0.4708	0.0000
7				
8	<u>Non-Commodity Components</u>			
9	RF (Refund Adjustment)	0.0000	0.0000	0.0000
10				
11	Total Non-Commodity Components	0.0000	0.0000	0.0000
12				
13	<u>Rate per Mcf (GCA included)</u>			
14	First 300 Mcf	1.1900	1.1900	0.0000
15	Next 14,700 Mcf	0.7530	0.7530	0.0000
16	Over 15,000 Mcf	0.4708	0.4708	0.0000
17				

Line No.	Description	Case No.		Difference
		2008-00196	2008-00000	
		\$/Mcf	\$/Mcf	\$/Mcf
1	<b><u>T - 2 / Interruptible Service (Low Priority)</u></b>			
2				
3	<u>Simple Margin / Distribution Charge (per Case No. 99-070)</u>			
4	First 300 Mcf	0.6000	0.6000	0.0000
5	Over 15,000 Mcf	0.3800	0.3800	0.0000
6				
7	<u>Non-Commodity Components</u>			
8	Demand	0.1976	0.1976	0.0000
9	RF (Refund Adjustment)	0.0000	0.0000	0.0000
10	Total Non-Commodity Components	0.1976	0.1976	0.0000
11				
12	<u>Rate per Mcf (GCA included)</u>			
13	First 300 Mcf	0.7976	0.7976	0.0000
14	Over 15,000 Mcf	0.5776	0.5776	0.0000
15				
16	<b><u>T - 3 Carriage Service / Interruptible Service (Low Priority)</u></b>			
17				
18	<u>Simple Margin / Distribution Charge (per Case No. 99-070)</u>			
19	First 300 Mcf	0.6000	0.6000	0.0000
20	Over 15,000 Mcf	0.3800	0.3800	0.0000
21				
22	<u>Non-Commodity Components</u>			
23	RF (Refund Adjustment)	0.0000	0.0000	0.0000
24	Total Non-Commodity Components	0.0000	0.0000	0.0000
25				
26	<u>Rate per Mcf (GCA included)</u>			
27	First 300 Mcf	0.6000	0.6000	0.0000
28	Over 15,000 Mcf	0.3800	0.3800	0.0000

**Atmos Energy Corporation**  
**Expected Gas Cost - Non Commodity**  
**Texas Gas**

Line No.	Description	Tariff Sheet No.	(1)	(2)	(3) Non-Commodity	
			Annual Units	Rate	Total	Demand
			MMbtu	\$/MMbtu	\$	\$
1	<b>SL to Zone 2</b>					
2	NNS Contract #	N0210	12,617,673			
3	Base Rate	20		0.3088	3,896,336	3,896,336
4	GSR	20		0.0000	0	0
5	TCA Adjustment	20		0.0000	0	0
6	Unrec TCA Surch	20		0.0000	0	0
7	ISS Credit	20		0.0000	0	0
8	Misc Rev Cr Adj	20		0.0000	0	0
9	GRI	20		0.0000	0	0
10						
11	Total SL to Zone 2		<u>12,617,673</u>		<u>3,896,336</u>	<u>3,896,336</u>
12						
13	<b>SL to Zone 3</b>					
14	NNS Contract #	N0340	27,480,375			
15	Base Rate	20		0.3543	9,736,297	9,736,297
16	GSR	20		0.0000	0	0
17	TCA Adjustment	20		0.0000	0	0
18	Unrec TCA Surch	20		0.0000	0	0
19	ISS Credit	20		0.0000	0	0
20	Injections	20		0.0000	0	0
21	GRI	20		0.0000	0	0
22						
23	FT Contract #	3355	5,475,000			
24	Base Rate	24		0.2494	1,365,465	1,365,465
25	GSR	24		0.0000	0	0
26	TCA Adjustment	24		0.0000	0	0
27	Unrec TCA Surch	24		0.0000	0	0
28	ISS Credit	24		0.0000	0	0
29	Misc Rev Cr Adj	24		0.0000	0	0
30	GRI	24		0.0000	0	0
31						
32						
33	Total SL to Zone 3		<u>32,955,375</u>		<u>11,101,762</u>	<u>11,101,762</u>
34						
35					<u>14,998,098</u>	<u>14,998,098</u>

**Atmos Energy Corporation**  
**Expected Gas Cost - Non Commodity**  
**Texas Gas**

Line No.	Description	Tariff Sheet No.	(1)	(2)	(3) (4) Non-Commodity	
			Annual Units MMbtu	Rate \$/MMbtu	Total \$	Demand \$
<b>1 Zone 1 to Zone 3</b>						
2	FT Contract #	21793	1,095,000			
3	Base Rate	24		0.2194	240,243	240,243
4	GSR	24		0.0000	0	0
5	TCA Adjustment	24		0.0000	0	0
6	Unrec TCA Surch	24		0.0000	0	0
7	ISS Credit	24		0.0000	0	0
8	Misc Rev Cr Adj	24		0.0000	0	0
9	GRI	24		0.0000	0	0
10						
11	Total Zone 1 to Zone 3		<u>1,095,000</u>		<u>240,243</u>	<u>240,243</u>
12						
<b>13 SL to Zone 4</b>						
14	NNS Contract #	N00435	3,320,769			
15	Base Rate	20		0.4190	1,391,402	1,391,402
16	GSR	20		0.0000	0	0
17	TCA Adjustment	20		0.0000	0	0
18	Unrec TCA Surch	20		0.0000	0	0
19	ISS Credit	20		0.0000	0	0
20	Injections	20		0.0000	0	0
21	GRI	20		0.0000	0	0
22						
23	FT Contract #	3819	1,487,500			
24	Base Rate	24		0.3142	467,373	467,373
25	GSR	24		0.0000	0	0
26	TCA Adjustment	24		0.0000	0	0
27	Unrec TCA Surch	24		0.0000	0	0
28	ISS Credit	24		0.0000	0	0
29	Misc Rev Cr Adj	24		0.0000	0	0
30	GRI	24		0.0000	0	0
31						
32	Total SL to Zone 4		<u>4,808,269</u>		<u>1,858,775</u>	<u>1,858,775</u>
33						
34	Total SL to Zone 2		12,617,673		3,896,336	3,896,336
35	Total SL to Zone 3		32,955,375		11,101,762	11,101,762
36	Total Zone 1 to Zone 3		1,095,000		240,243	240,243
37						
38	Total Texas Gas		<u>51,476,317</u>		<u>17,097,116</u>	<u>17,097,116</u>
39						
40						
41	Vendor Reservation Fees (Fixed)					0
42						
43	Total Texas Gas Area Non-Commodity				<u>17,097,116</u>	<u>17,097,116</u>

**Atmos Energy Corporation**  
**Expected Gas Cost - Non Commodity**  
**Tennessee Gas**

Line No.	Description	Tariff Sheet No.	(1)	(2)	(3) (4) Non-Commodity	
			Annual Units MMbtu	Rate \$/MMbtu	Total \$	Demand \$
<b>1 0 to Zone 2</b>						
2	FT-G Contract #	2546.1	12,844	9.0600		
3	Base Rate	23B		9.0600	116,367	116,367
4	Settlement Surcharge	23B		0.0000	0	0
5	PCB Adjustment	23B		0.0000	0	0
6						
7	FT-G Contract #	2548.1	4,363	9.0600		
8	Base Rate	23B		9.0600	39,529	39,529
9	Settlement Surcharge	23B		0.0000	0	0
10	PCB Adjustment	23B		0.0000	0	0
11						
12	FT-G Contract #	2550.1	5,739	9.0600		
13	Base Rate	23B		9.0600	51,995	51,995
14	Settlement Surcharge	23B		0.0000	0	0
15	PCB Adjustment	23B		0.0000	0	0
16						
17	FT-G Contract #	2551.1	4,447	9.0600		
18	Base Rate	23B		9.0600	40,290	40,290
19	Injections	23B		0.0000	0	0
20	PCB Adjustment	23B		0.0000	0	0
21						
22						
23	Total Zone 0 to 2		27,393		248,181	248,181

**Atmos Energy Corporation**  
**Expected Gas Cost - Non Commodity**  
**Tennessee Gas**

Line No.	Description	Tariff Sheet No.	(1)	(2)	Non-Commodity	
			Annual Units MMbtu	Rate \$/MMbtu	Total \$	Demand \$
<b>1 1 to Zone 2</b>						
2	FT-G Contract # 2546		114,156	7.6200		
3	Base Rate	23B		7.6200	869,869	869,869
4	Settlement Surcharge	23B		0.0000	0	0
5	PCB Adjustment	23B		0.0000	0	0
6						
7	FT-G Contract # 2548		44,997	7.6200		
8	Base Rate	23B		7.6200	342,877	342,877
9	Settlement Surcharge	23B		0.0000	0	0
10	PCB Adjustment	23B		0.0000	0	0
11						
12	FT-G Contract # 2550		59,741	7.6200		
13	Base Rate	23B		7.6200	455,226	455,226
14	Settlement Surcharge	23B		0.0000	0	0
15	PCB Adjustment	23B		0.0000	0	0
16						
17	FT-G Contract # 2551		45,058	7.6200		
18	Base Rate	23B		7.6200	343,342	343,342
19	Injections	23B		0.0000	0	0
20	PCB Adjustment	23B		0.0000	0	0
21						
22	Total Zone 1 to 2		263,952		2,011,314	2,011,314
23						
24	Total Zone 0 to 2		27,393		248,181	248,181
25						
26	Total Zone 1 to 2 and Zone 0 to 2		291,345		2,259,495	2,259,495
27						
28	<b>Gas Storage</b>					
29	Production Area:					
30	Demand	27	34,968	2.0200	70,635	70,635
31	Space Charge	27	4,916,148	0.0248	121,920	121,920
32	Market Area:					
33	Demand	27	237,408	1.1500	273,019	273,019
34	Space Charge	27	10,846,308	0.0185	200,657	200,657
35	Total Storage				666,231	666,231
36						
37	Vender Reservation Fees (Fixed)				0	0
38						
39	Total Tennessee Gas Area FT-G Non-Commodity				2,925,726	2,925,726

**Atmos Energy Corporation**  
**Expected Gas Cost - Commodity**  
**Purchases in Texas Gas Service Area**

Line No.	Description	Tariff Sheet No.	Purchases		Rate	Total	
			Mcf	MMbtu	\$/MMbtu	\$	
1	<u>No Notice Service</u>			2,901,485			
2	Indexed Gas Cost				13.1950	38,285,095	
3	Commodity	20			0.0509	147,686	
4	Fuel and Loss Retention @	36	3.92%		0.5383	1,561,869	
5					13.7842	39,994,650	
6							
7	<u>Firm Transportation</u>			1,978,000			
8	Indexed Gas Cost				13.1950	26,099,710	
9	Base (Weighted on MDQs)	25			0.0459	90,790	
10	TCA Adjustment	25			0.0000	0	
11	Unrecovered TCA Surcharge	25			0.0000	0	
12	Cash-out Adjustment	25			0.0000	0	
13	GRI	25			0.0000	0	
14	ACA	25			0.0019	3,758	
15	Fuel and Loss Retention @	36	1.78%		0.2391	472,940	
16					13.4819	26,667,198	
17	<u>No Notice Storage</u>						
18	Net (Injections)/Withdrawals						
19	Injections			(1,459,637)	13.1950	(19,259,910)	
20	Commodity (Zone 3)	20			0.0509	(74,296)	
21	Fuel and Loss Retention @	36	3.92%		0.5383	(785,723)	
22					13.7842	(20,119,929)	
23							
24							
25	Total Purchases in Texas Area			3,419,848	13.6094	46,541,919	
26							
27							
28	<u>Used to allocate transportation non-commodity</u>						
29							
30				Annualized	Commodity		
31				MDQs in	Charge	Weighted	
32	<u>Texas Gas</u>			MMbtu	\$/MMbtu	Average	
33	SL to Zone 2	25		12,617,673	\$0.0418	\$ 0.0102	
34	SL to Zone 3	25		32,955,375	0.0464	\$ 0.0297	
35	1 to Zone 3	25		1,095,000	0.0441	\$ 0.0009	
36	SL to Zone 4	25		4,808,269	0.0547	\$ 0.0051	
37	Total			51,476,317	100.00%	\$ 0.0459	
38							
39	<u>Tennessee Gas</u>						
40	0 to Zone 2	23C		27,393	\$0.0880	\$ 0.0083	
41	1 to Zone 2	23C		263,952	0.0776	0.0703	
42	Total			291,345	100.00%	\$ 0.0786	
43							
44							

Atmos Energy Corporation  
 Expected Gas Cost - Commodity  
 Purchases in Tennessee Gas Service Area

Line No.	Description	Tariff Sheet No.		(1)	(2)	(3)	(4)
				Purchases	Rate	Total	
				Mcf	MMbtu	\$/MMbtu	\$
1	<u>FT-A and FT-G</u>				619,444		
2	Indexed Gas Cost					13.1950	8,173,564
3	Base Commodity (Weighted on MDQs)					0.0786	48,674
4	GRI	23C				0.0000	0
5	ACA	23C				0.0019	1,177
6	Fuel and Loss Retention	29	3.69%			0.5056	313,191
7						13.7811	8,536,606
8							
9							
10	<u>FT-GS</u>				87,936		
11	Indexed Gas Cost					13.1950	1,160,316
12	Base Rate	20				0.5844	51,390
13	GRI	20				0.0000	0
14	ACA	20				0.0019	167
15	PCB Adjustment	20				0.0000	0
16	Settlement Surcharge	20				0.0000	0
17	Fuel and Loss Retention	29	3.69%			0.5056	44,460
18						14.2869	1,256,333
19	Injections			13,7811			
20							
21	<u>Gas Storage</u>						
22	FT-A & FT-G Market Area Withdrawals				0		
23	FT-A & FT-G Market Area Injections				(458,140)		
24	Indexed Gas Cost/Storage					13.1950	(6,045,157)
25	Withdrawal Rate	27				0.0000	0
26	Injection Rate	27				0.0102	(4,673)
27	Fuel and Loss Retention	27	1.49%			0.1996	(91,445)
28	Total					13.4048	(6,141,275)
29							
30							
31							
32							
33							
34							
35	Total Tennessee Gas Zones				249,240	14.6512	3,651,664

Atmos Energy Corporation  
 Expected Gas Cost  
 Trunkline Gas

Commodity		(1)	(2)	(3)	(4)
Line No.	Description	Tariff Sheet No.	Purchases		Total
			Mcf	MMbtu	\$/MMbtu
1	<u>Firm Transportation</u>				
2	Expected Volumes			92,000	
3	Indexed Gas Cost				13.1950
4	Base Commodity	10			0.0051
5	GRI	10			-
6	ACA	10			0.0019
7	Fuel and Loss Retention	10	.71%		0.0944
8					13.2964
9					1,223,269
10					

Non-Commodity

Line No.	Description	Tariff Sheet No.	(1)	(2)	Non-Commodity		
					Annual Units	Rate	Total
				MMbtu	\$/MMbtu	\$	\$
	<b>Injections</b>				13.7842		
11	FT-G Contract # 014573			27,000			
12	Discount Rate on MDQs				7.3000	197,100	197,100
13							
14							
15	GRI Surcharge	10				0	-
16							
17	Reservation Fee					-	-
18							
19	Total Trunkline Area Non-Commodity					197,100	197,100

**Atmos Energy Corporation**  
**Demand Charge Calculation**

Line No.	(1)	(2)	(3)	(4)	(5)
1	<u>Total Demand Cost:</u>				
2	Texas Gas	\$17,097,116			
3	Midwestern	0			
4	Tennessee Gas	2,925,726			
5	Trunkline	197,100			
6	Total	\$20,219,942			
7					
8					
9	<u>Demand Cost Allocation:</u>		Allocated Demand	Related Volumes	Monthly Demand Charge
10	All	0.1895	\$3,831,679	19,393,738	0.1976
11	Firm	0.8105	16,388,263	18,028,367	0.9090
12	Total	1.0000	\$20,219,942		1.1066
13					0.1976
14					
15		Annualized	Volumetric Basis for		
16		Mcf @14.65	Monthly Demand Charge		
17	<u>Firm Service</u>		All	Firm	
18	Sales:				
19	G-1	18,028,353	18,028,353	18,028,353	1.1066
20					
21	Transportation:				
22	T-2 \ G-1	41,500	41,500	14	1.1066
23					
24	Total Firm Service	18,069,853	18,069,853	18,028,367	
25					
26	<u>Interruptible Service</u>				
27	Sales:				
28	G-2	734,444	734,444		1.1066
29					0.1976
30	Transportation:				
31	T-2 \ G-2	589,441	589,441		1.1066
32					0.1976
33	Total Interruptible Service	1,323,885	1,323,885		
34					
35	<u>Carriage Service</u>				
36	T-3 & T-4	26,284,922			
37					
38		45,678,660	19,393,738	18,028,367	

**Atmos Energy Corporation**  
**Expected Gas Cost - Commodity**  
**Total System**

Line No. Description	(1)	(2)	(3)	(4)
	Purchases Mcf	MMbtu	Rate \$/MMbtu	Total \$
<b>1 Texas Gas Area</b>				
2 No Notice Service	2,830,717	2,901,485	13.7842	39,994,650
3 Firm Transportation	1,929,756	1,978,000	13.4819	26,667,198
4 No Notice Storage	(1,424,036)	(1,459,637)	13.7842	(20,119,929)
5 Total Texas Gas Area	3,336,437	3,419,848	13.6094	46,541,919
6				
<b>7 Tennessee Gas Area</b>				
8 FT-A and FT-G	604,336	619,444	13.7811	8,536,606
9 FT-GS	85,791	87,936	14.2869	1,256,333
10 Gas Storage				
11 Injections	(446,966)	(458,140)	13.4048	(6,141,275)
12 Withdrawals				
13	243,161	249,240	14.6512	3,651,664
<b>14 Trunkline Gas Area</b>				
15 Firm Transportation	89,756	92,000	13.2964	1,223,269
16				
17				
<b>18 WKG System Storage</b>				
19 Injections	(1,669,705)	(1,711,448)	13.7842	(23,590,942)
20 Withdrawals	0	0	0.0000	0
21 Net WKG Storage	(1,669,705)	(1,711,448)	13.7842	(23,590,942)
22				
23				
24 Local Production	183,688	188,280	13.1950	2,484,355
25				
26				
27				
28 Total Commodity Purchases	2,183,337	2,237,920	13.5439	30,310,265
29				
30 Lost & Unaccounted for @	42,575	43,639		
31				
32 Total Deliveries	2,140,762	2,194,281	13.8133	30,310,265
33				
34				
35				
36 Total Expected Commodity Cost	2,140,762	2,194,281	13.8133	30,310,265
37				
38				
39				
40				

**Atmos Energy Corporation**  
 Load Factor Calculation for Demand Allocation

Line No.	Description	MCF	
	<u>Annualized Volumes Subject to Demand Charges</u>		
1	Sales Volume	2,925,726	18,762,797
2	Transportation		630,941
3	Total Mcf Billed Demand Charges		<u>19,393,738</u>
4	Divided by: Days/Year		365
5	Average Daily Sales and Transport Volumes		<u><u>53,134</u></u>
6			
7	<u>Peak Day Sales and Transportation Volume</u>		
8	Estimated total company firm requirements for 5 degree average		
9	temperature days from Peak Day Book - with adjustments per rate filing		<u>280,446</u> Mcf/Peak Day
10			
11			
12	New Load Factor (line 5 / line 9)		<b>0.1895</b>

**Atmos Energy Corporation**  
Basis for Indexed Gas Cost

For the Quarter of August through October 2008

The projected commodity price was provided by the Gas Supply Department and was based upon the following:

- A. The Gas Supply Department reviewed the NYMEX futures close prices for the period of August-October 2008 during the period June 18, 2008 through June 26, 2008 which are listed below:

	Aug-08 (\$/MMBTU)	Sep-08 (\$/MMBTU)	Oct-08 (\$/MMBTU)
Wednesday 06/18/08	13.316	13.346	13.416
Thursday 06/19/08	12.991	13.031	13.101
Friday 06/20/08	13.113	13.157	13.235
Monday 06/23/08	13.322	13.372	13.452
Tuesday 06/24/08	13.126	13.180	13.268
Wednesday 06/25/08	12.866	12.920	13.010
Thursday 06/26/08	13.248	13.291	13.366
	<u>\$13.140</u>	<u>\$13.185</u>	<u>\$13.264</u>

- B. With the volatility of the natural gas market, the Company is using the average of the last seven days of NYMEX pricing to forecast a price of \$13.195 per Mmbtu for the quarterly period that the GCA is to become effective.

In support of Item B, a worksheet entitled "Estimated Weighted Average Cost of Gas" has been filed under a Petition for Confidentiality in this Case.

Atmos Energy Corporation  
 Estimated Weighted Average Cost of Gas  
 For the Quarter of August through October 2008

	August-08		September-08		October-08		Total	
	Rate	Value	Volumes	Rate	Value	Volumes	Rate	Value

Texas Gas  
 Trunkline  
 Tennessee Gas  
 TX Gas Storage  
 TN Gas Storage  
 WKG Storage  
 Midwestern

(This information has been filed under a Petition for Confidentiality)

WACOGs

Atmos Energy Corporation  
Correction Factor (CF)  
For the Three Months Ended April, 2008  
Case No. 2008-000

Line No.	(1) Month	(2) Actual Purchased Volume (Mcf)	(3) Recoverable Gas Cost	(4) Actual Recovered Gas Cost	(5) Under (Over) Recovery Amount	(6) Adjustments	(7) Total
1	February-08	3,288,841	30,350,599.63	28,494,677.80	1,855,921.83	0.00	1,855,921.83
2							
3	March-08	2,349,357	28,880,974.01	23,663,408.50	5,217,565.51	0.00	5,217,565.51
4							
5	April-08	2,702,102	11,446,897.18	14,437,080.74	(2,990,183.56)	0.00	(2,990,183.56)
6							
7							
8							
9							
10							
11							
12							
13	Total Gas Cost						
14	Under/(Over) Recovery		<u>70,678,470.82</u>	<u>66,595,167.04</u>	<u>4,083,303.78</u>	<u>0.00</u>	<u>4,083,303.78</u>
15							
16	PBR Savings reflected in Gas Cost		<u>1,133,478.12</u>				
17							
18	Account Balance 1910 through February, 2008						\$9,708,618.39
19							
20	Total Gas Cost Under/(Over) Recovery for the three months ended April 2008						4,083,303.78
21	Recovery from outstanding Correction Factor (CF)						(1,577,485.46)
22	Account 191 Balance @ April, 2008						<u>12,214,436.71</u>
23	(May General Ledger)						
24							
25							
26							
27							
28	Derivation of Correction Factor (CF):						
29							
30	Account 191 Balance					<u>\$12,214,437</u>	
31	Divided By: Total Expected Customer Sales					<u>18,762,797</u>	/MCF
32							
33	<b>Correction Factor (CF)</b>					<u><b>\$0.6510</b></u>	<b>/MCF</b>

**Atmos Energy Corporation**  
 Recoverable Gas Cost Calculation  
 For the Three Months Ended April, 2008  
 Case No. 2008-000

Line No.	Description	GL Unit	Mar-08	Apr-08	May-08
			(1)	(2)	(2)
			Month		
			February-08	March-08	April-08
1	<b>Supply Volume</b>				
2	Pipelines:				
3	Texas Gas Transmission <sup>1</sup>	Mcf	0	0	0
4	Tennessee Gas Pipeline <sup>1</sup>	Mcf	0	0	0
5	Trunkline Gas Company <sup>1</sup>	Mcf	0	0	0
6	Midwestern Pipeline <sup>1</sup>	Mcf	0	0	0
7	<b>Total Pipeline Supply</b>	Mcf	0	0	0
8	Total Other Suppliers	Mcf	824,248	485,031	4,190,511
9	Off System Storage				
10	Texas Gas Transmission	Mcf	0	0	0
11	Tennessee Gas Pipeline	Mcf	349,305	519,426	(136,688)
12	System Storage				
13	Withdrawals	Mcf	1,322,998	442,720	81,129
14	Injections	Mcf	0	(260,505)	(669,925)
15	Producers	Mcf	10,652	10,167	11,828
16	Pipeline Imbalances cashed out	Mcf	0	0	0
17	System Imbalances <sup>2</sup>	Mcf	781,638	1,152,518	(774,753)
18	<b>Total Supply</b>	Mcf	3,288,841	2,349,357	2,702,102
19					
20	Change in Unbilled	Mcf			
21	Company Use	Mcf	0	0	0
22	Unaccounted For	Mcf	0	0	0
23	<b>Total Purchases</b>	Mcf	3,288,841	2,349,357	2,702,102

<sup>1</sup> Includes settlement of historical imbalances and prepaid items.

<sup>2</sup> Includes Texas Gas No-Notice Service volumes and monthly imbalances related to transportation customer activities.

Line No.	Description	GL	Unit	Mar-08	Apr-08	May-08
				(1)	(2)	(2)
				Month		
				February-08	March-08	April-08
1	<b>Supply Cost</b>					
2	Pipelines:					
3	Texas Gas Transmission <sup>1</sup>	\$		1,594,015	1,708,883	1,513,364
4	Tennessee Gas Pipeline <sup>1</sup>	\$		316,095	321,584	312,629
5	Trunkline Gas Company <sup>1</sup>	\$		29,568	30,915	7,647
6	Midwestern Pipeline <sup>1</sup>	\$		0	0	0
7	<b>Total Pipeline Supply</b>	\$		<u>1,939,678</u>	<u>2,061,381</u>	<u>1,833,640</u>
8	Total Other Suppliers	\$		6,542,709	4,190,511	26,206,838
9	Hedging Settlements			105,300	(123,990)	0
10	Off System Storage					
11	Texas Gas Transmission	\$		0	0	0
12	Tennessee Gas Pipeline	\$		0	0	0
13	WKG Storage			122,500	122,500	122,500
14	System Storage					
15	Withdrawals	\$		11,946,660	6,798,049	662,009
16	Injections	\$		(9,096)	(2,371,551)	(8,076,906)
17	Producers	\$		87,293	93,110	118,485
18	Pipeline Imbalances cashed out	\$		0	0	0
19	System Imbalances <sup>2</sup>	\$		<u>9,615,556</u>	<u>18,110,964</u>	<u>(9,419,670)</u>
20	<b>Sub-Total</b>	\$		<u>30,350,600</u>	<u>28,880,974</u>	<u>11,446,897</u>
21						
22	Change in Unbilled	\$				
23	Company Use	\$		0	0	0
24	Recovered thru Transportation	\$		0	0	0
25	<b>Total Recoverable Gas Cost</b>	\$		<u><u>30,350,600</u></u>	<u><u>28,880,974</u></u>	<u><u>11,446,897</u></u>

<sup>1</sup> Includes demand charges, cost of settlement of historical imbalances and prepaid items.

<sup>2</sup> Includes Texas Gas No-Notice Service volumes and monthly imbalances related to transportation customer activities.

Atmos Energy Corporation  
Recovery from Correction Factors (CF)  
For the Three Months Ended April, 2008  
Case No. 2008-000

Line No.	Month	Type of Sales	Mcf Sold	Rate	Amount
1	February-08	G-1 Sales	3,339,882.4	(\$0.2015)	(\$672,986.31)
2		G-2 Sales	30,364.3	(0.2015)	(6,118.40)
3		T-3 Overrun Sales	7,880.0	(0.2217)	(1,747.00)
4		T-4 Overrun Sales	8,908.0	(0.2217)	(1,974.90)
5		Total		<u>3,387,034.7</u>	
6					
7	March-08	G-1 Sales	2,745,484.0	(\$0.2015)	(\$553,215.01)
8		G-2 Sales	24,850.2	(0.2015)	(5,007.32)
9		T-3 Overrun Sales	4,613.0	(0.2217)	(1,022.70)
10		T-4 Overrun Sales	2,003.0	(0.2217)	(444.07)
11		Total		<u>2,776,950.2</u>	
12					
13	April-08	G-1 Sales	1,638,782.7	(\$0.2015)	(\$330,214.71)
14		G-2 Sales	21,029.1	(0.2015)	(4,237.37)
15		T-3 Overrun Sales	1,009.0	(0.2217)	(223.70)
16		T-4 Overrun Sales	1,326.0	(0.2217)	(293.97)
17		Total		<u>1,662,146.9</u>	
18					
19					
20					
21					
22	Total Recovery from Correction Factor (CF)				<u><u>(\$1,577,485.46)</u></u>

23  
24 LVS sales commodity is "trued-up" according to Section 3(f) in LVS tariff in P.S.C. No. 1.

25  
26 When Carriage (T-3 and T-4) customers have a positive imbalance that has been approved by the  
27 Company, the customer is billed for the imbalance volumes at a rate equal to 110% of the Company  
28 applicable sales rate according to Section 6(a) of P.S.C. No. 20, Sheet Nos. 41A and 47A.

Description	February, 2008		March, 2008		April, 2008	
	MCF	Cost	MCF	Cost	MCF	Cost
<b>1 Texas Gas Pipeline Area</b>						
2 LG&E Natural						
3 Texaco Gas Marketing						
4 CMS						
5 WESCO						
6 Southern Energy Company						
7 Union Pacific Fuels						
8 Atmos Energy Marketing, LLC						
9 Engage						
10 ERI						
11 Prepaid						
12 Reservation						
13 Hedging Costs - All Zones						
14						
15 <b>Total</b>	600,920	\$4,760,861.31	340,960	\$2,904,979.47	2,309,568	\$22,827,852.55
16						
17						
<b>18 Tennessee Gas Pipeline Area</b>						
19 Atmos Energy Marketing, LLC						
20 Union Pacific Fuels						
21 WESCO						
22 Prepaid						
23 Reservation						
24 Fuel Adjustment						
25						
26 <b>Total</b>	104,129	\$828,871.57	66,753	\$581,695.92	313,490	\$3,095,119.24
27						
28						
<b>29 Trunkline Gas Company</b>						
30 Atmos Energy Marketing, LLC						
31 Engage						
32 Prepaid						
33 Reservation						
34 Fuel Adjustment						
35						
36 <b>Total</b>	119,199	\$952,975.87	77,318	\$703,835.36	29,988	\$283,866.56
37						
38						
<b>39 Midwestern Pipeline</b>						
40 Atmos Energy Marketing, LLC						
41 LG&E Natural						
42 Anadarko						
43 Prepaid						
44 Reservation						
45 Fuel Adjustment						
46						
47 <b>Total</b>	0	\$0.00	0	\$0.00	0	\$0.00
48						
49						
<b>50 All Zones</b>						
51 <b>Total</b>	824,248	\$6,542,708.75	485,031	\$4,190,510.75	2,653,046	\$26,206,838.35
52						
53						
54						

\*\*\*\* Detail of Volumes and Prices Has Been Filed Under Petition for Confidentiality \*\*\*\*