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**PUBLIC SERVICE
COMMISSION**

April 24, 2009

Mr. Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

RE: Case No. 2008-00408

Dear Mr. Derouen:

Atmos Energy Corporation (Company) herewith submits an original and ten (10) copies of the Company's responses to the second set of data requests of the Commission Staff in the above referenced case. The Commission only directed certain requests for the Company to provide a response. The Company is providing responses to #s 35 and 36.

Please contact myself at 270.685.8024 if the Commission or Staff has any questions regarding this matter.

Sincerely,

A handwritten signature in black ink that reads "Mark A. Martin".

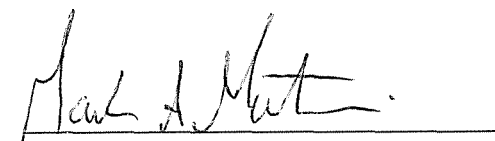
Mark A. Martin
Vice President, Rates & Regulatory Affairs

Enclosures


cc: Parties of Record
Mr. Mark R. Hutchinson

VERIFICATION

I, Mark A. Martin, being duly sworn under oath state that I am Vice President of Rates and Regulatory Affairs for Atmos Energy Corporation, Kentucky/Mid-States Division, and that the statements contained in the Company's responses are true as I verily believe.


Mark A. Martin

SUBSCRIBED AND SWORN TO before me, a notary public in and for the Commonwealth of Kentucky, by Mark A. Martin, Vice President of Rates and Regulatory Affairs, Atmos Energy Corporation, Kentucky/Mid-States Division, on this 24th day of April 2009.


Notary Public
State of KY at Large

Expiration date Sept. 26, 2009

Atmos Energy Corporation, Kentucky
Case No.
KPSC 2nd Data Request Dated April 13, 2009
DR Item 35
Witness: Mark Martin

Data Request:

Refer to the response of KU and LG&E to Staffs Initial Data Request, Item 89, regarding the description of the type of annual rate review authorized by the Commission in connection with LG&E's initial DSM plan. What is your position on a review and/or decoupling approach based on a maintaining a specific revenue amount or, alternatively, a specific amount of revenue per customer?

Response:

The Company prefers an annual rate review mechanism, but does acknowledge that decoupling can provide benefits related to energy efficiency. Decoupling does break the link between sales and revenues. By breaking such link, a utility avoids the disincentive created by customers implementing energy efficiency measures. Decoupling rates would be time sensitive and additional rate cases would be needed to properly adjust rates for changes in a utility's revenue requirement.

Atmos Energy Corporation, Kentucky
Case No.
KPSC 2nd Data Request Dated April 13, 2009
DR Item 36
Witness: Mark Martin

Data Request:

Refer to Atmos's response to Staffs Initial Data Request, Item 2(a). If an annual rate review mechanism such as the one recently supported by the five LDC's in the General Assembly were in place, what would have been the effect on rates for each of the most recent five calendar years?

Response:

If the Company was to have had an annual rate revenue mechanism in place for the five most recent calendar years, several benefits would have occurred. One benefit would be that the Company would have rates adjusted, as necessary, which would have given the Company a better opportunity to recover its revenue requirement. Another benefit would be that customers would have benefited from the Company's focus shifting from marketing to conservation. Another benefit would be that the PSC as well as the Attorney General would have had an annual review to insure that the Company's rates were appropriate and adjusted, as necessary.