



FACSIMILE

October 22, 2010

To: Honorable Jeff Derouen

Fax: 502-564-3460

From: Mark Martin

Fax: 270-685-8052

Phone: 270-685-8024

Pages: 7

Subject: PBR Data Requests, Case No. 2010-00353

The original and ten copies will be sent today via FedEx.

Thank you

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COMMISSION**



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Honorable Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

Subject: Case No. 2010-00353

Dear Mr. Derouen:

Atmos Energy Corporation (Company) herewith submits an original and ten copies of the Company's responses to the Initial Information Requests of the Commission Staff in the above referenced case.

Please feel free to contact me at 270.685.8024 if you have any questions and/or need any additional information.

Sincerely,

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

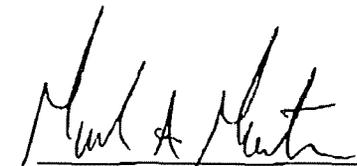
Mark A. Martin
Vice President, Rates & Regulatory Affairs

Enclosure

cc: Randy Hutchinson
Becky Buchanan

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 herein are true and correct 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 22nd day of October 2010.



Notary Public

Expiration date 11/15/2011

Atmos Energy Corporation
KPSC Initial Data Request Dated October 12, 2010
Case No. 2010-00353
Witness: Mark A. Martin

1. Provide, for three of the 12 most recent calendar months, illustrative calculations using actual published indices to show the effect of eliminating Natural Gas Week and Gas Daily indices from baseload calculations as proposed by Atmos.

Response: Please see attachments. Please note that all attachments related to this response are CONFIDENTIAL in nature.

Atmos Energy Corporation
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2. Explain why Atmos believes the proposed elimination of two indices will be well-received by potential vendors and whether it has received complaints concerning the existing indices.

Response: The Company proposed the elimination of two indices since neither index pertains directly to first-of-month or base load purchases. The Company believes that the proposed changes will be well received by potential vendors. The Company does not anticipate any vendor concerns over the proposed first of month base load pricing being calculated using the average of two indices, NYMEX and Inside FERC, as opposed to the four indices currently used. The proposed "two indices" basket pricing would be prospective, and included with the upcoming KY Request for Proposal for Gas Supply and Asset Management. The proposal would not impact the current contract for supply and asset management. Since all potential suppliers will receive the same RFP pricing guidelines, there should be no concerns that one party has a price advantage over another. Currently in Atmos' KY/Mid-States Division, the first of month base load pricing in jurisdictions other than KY are as follows:

IL - (for all pipeline areas except MRT) single index: Inside FERC ("IFERC")

IL - (for MRT) single index: Natural Gas Institute ("NGI")

TN & VA - basket of three indices: IFERC, NGI, NYMEX

IA - single index: IFERC

MO - (for all pipeline areas except MRT) single index: IFERC

MO - (for MRT) single index: NGI

GA - single index: IFERC

Of the seven states in Atmos' KY/Mid-States Division, Kentucky is the only jurisdiction in which Atmos' first of month base load pricing includes Gas Daily ("GD") and Natural Gas Week ("NGW"). The Company is not aware of any complaints in regards to the existing indices.

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3. Explain whether there are other indices that could be substituted for the two proposed to be eliminated that would be more relevant in calculating the benchmarks for the Supply Area Index factor for Base Load and the Delivery Area Index factor for Base Load.

Response: The Company is unaware of any other indices that could be substituted for the two proposed to be eliminated that would be more relevant in calculating the benchmarks. Please refer to the response in #2 above. As evidenced by the pricing in other states, there is no need for additional indices within the first of month base load pricing for Kentucky.

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4. Refer to Tab 4, page 3 of the application. Did Atmos intend that the second text change (T) indicated on Tariff page P.S.C. No. 1, Third Revised Sheet No. 30 Canceling Second Revised Sheet No. 30 should indicate New York Mercantile Exchange rather than Gas Daily?

Response: No, however on further review, the Company agrees that a New York Mercantile Exchange rate would be more appropriate than a Gas Daily rate for the referenced tariff section. Initially, the Company only proposed to delete the Natural Gas Week rate from the calculation, but we appreciate Staff pointing out the Gas Daily reference.