

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF ATMOS ENERGY) CASE NO. 2010-00386
CORPORATION)

O R D E R

On May 28, 2010, in Case No. 2009-00354,¹ the Commission approved rates for Atmos Energy Corporation (“Atmos”) and provided for their further adjustment in accordance with Atmos’s Gas Cost Adjustment (“GCA”) clause.

On September 29, 2010, Atmos filed its GCA to be effective November 1, 2010.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Atmos's notice includes revised rates designed to pass on to its sales customers its expected change in wholesale gas costs.
2. Atmos’s Expected Gas Cost (“EGC”) for firm sales customers is \$5.8522 per Mcf, a decrease of \$.7816 per Mcf from the previous EGC of \$6.6338 per Mcf. Atmos's EGC for interruptible sales customers is \$4.8805 per Mcf, a decrease of \$.7821 per Mcf from the previous EGC of \$5.6626 per Mcf.
3. Atmos’s notice sets out a current period Refund Factor (“RF”) of (\$.0034) per Mcf. The total RF is (\$.0169) per Mcf for firm and interruptible sales customers, a

¹ Case No. 2009-00354, Application of Atmos Energy Corporation for an Adjustment of Rates (Ky. PSC May 28, 2010).

decrease of \$.0034 per Mcf from the prior RF for both groups. Atmos's notice sets out no RF for T-2 firm and interruptible transportation customers, T-3 interruptible carriage service, or T-4 firm carriage service customers.

4. Atmos's notice sets out a Correction Factor ("CF") of (\$1.2939) per Mcf, which represents an increase of \$.1271 per Mcf from the previous CF of (\$1.4210) per Mcf.

5. Atmos's notice sets out its Performance Based Rate Recovery Factor of \$.1298 per Mcf, which is effective from February 1, 2010 until February 1, 2011.

6. Atmos's GCAs are \$4.6712 per Mcf for firm sales customers and \$3.6995 per Mcf for interruptible sales customers. The impact on firm sales customers is a decrease of \$.6579 per Mcf from the previous GCA of \$5.3291 per Mcf. The impact on interruptible sales customers is a decrease of \$.6584 per Mcf from the previous GCA of \$4.3579 per Mcf.

7. The rates in the Appendix attached hereto and incorporated herein are fair, just and reasonable, and should be approved for final meter readings by Atmos on and after November 1, 2010.

IT IS THEREFORE ORDERED that:

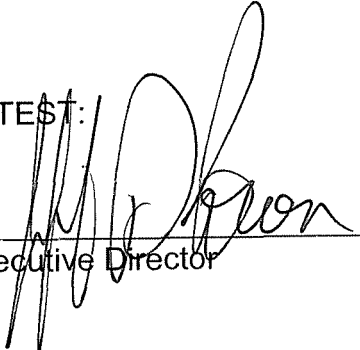
1. The rates in the Appendix to this Order are approved for final meter readings on and after November 1, 2010.

2. Within 20 days of the date of this Order, Atmos shall file its revised tariffs with this Commission, setting out the rates authorized herein and reflecting that they were approved pursuant to this Order.

By the Commission

ENTERED *A*
OCT 27 2010
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2010-00386

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2010-00386 DATED OCT 27 2010

The following rates and charges are prescribed for the customers in the area served by Atmos Energy Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RATES:

Applicable to: General Sales Service Rate G-1

Gas Cost Adjustment

To each bill rendered under the above-named rate schedule there shall be added an amount equal to: \$4.6712 per Mcf of gas used during the billing period.

Applicable to: Interruptible Sales Service Rate G-2

Gas Cost Adjustment

To each bill rendered under the above-named rate schedule there shall be added an amount equal to: \$3.6995 per Mcf of gas used during the billing period.

Judy Dunlap
Rate Analyst, Rate Administration
Atmos Energy Corporation
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Owensboro, KY 42303