

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF ATMOS ENERGY)
CORPORATION F/K/A WESTERN) CASE NO. 2003-00377
KENTUCKY GAS COMPANY)

O R D E R

On December 21, 1999, in Case No. 1999-00070, the Commission approved rates for Western Kentucky Gas Company (Western) and provided for their further adjustment in accordance with Western's gas cost adjustment (GCA) clause. On October 1, 2002, Western changed its name to Atmos Energy Corporation (Atmos).

On October 1, 2003, Atmos filed its proposed GCA to be effective November 1, 2003.

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 EGC for firm sales customers is \$6.7269 per Mcf, a decrease of 69.19 cents per Mcf from the previous EGC of \$7.4188. Atmos's EGC for both high load factor (HLF) firm customers and interruptible sales customers is \$5.8381 per Mcf, a decrease of 70.2 cents per Mcf from the previous EGC of \$6.5401.
3. Atmos's notice sets out a current period refund factor (RF) for firm sales and HLF firm customers of .06 cent per Mcf. The total refund factor is also .06 cent per Mcf for firm sales and HLF firm customers, and .06 cent per Mcf for interruptible sales

customers. Atmos's notice sets out a refund adjustment for T-2 firm transportation customers of 14.76 cents per Mcf and for T-2 interruptible transportation customers of 2.93 cents per Mcf.

4. Atmos's notice sets a correction factor (CF) of 54.67 cents per Mcf, which is an increase of 9.47 cents per Mcf from the previous CF.

5. Atmos's notice sets out a Performance Based Rate Recovery Factor of 7.47 cents per Mcf, which is effective from February 1, 2003 until February 1, 2004.

6. Atmos's gas cost adjustments are \$7.3477 per Mcf for firm sales customers, \$6.4589 per Mcf for HLF firm customers, and \$6.4589 per Mcf for interruptible sales customers. The impact on firm sales customers is a decrease of 44.04 cents per Mcf from the previous gas cost adjustment of \$7.7881. The impact on HLF firm customers is a decrease of 45.05 cents per Mcf from the previous gas cost adjustment of \$6.9094, and the impact on interruptible sales customers is a decrease of 56.88 cents per Mcf from the previous gas cost adjustment of \$7.0277.

7. The rates in the Appendix to this Order are fair, just and reasonable, and should be approved for final meter readings by Atmos on and after November 1, 2003.

IT IS THEREFORE ORDERED that:

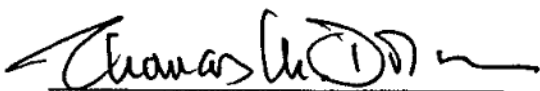
1. The rates in the Appendix to this Order are approved for final meter readings on and after November 1, 2003.

2. Within 20 days of the date of this Order, Atmos shall file with the Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 28th day of October, 2003.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Thomas H. (D)", written over a horizontal line.

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2003-00377 DATED October 28, 2003

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 this 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 schedules there shall be added an amount equal to: \$7.3477 per Mcf of gas used during the billing period.

Applicable to: HLF General Sales Service

Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be added an amount equal to: \$6.4589 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 schedules there shall be added an amount equal to: \$6.4589 per Mcf of gas used during the billing period.