

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF ATMOS)	CASE NO. 2006-00568
ENERGY CORPORATION)	

O R D E R

On December 21, 1999, in Case No. 1999-00070,¹ 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 December 28, 2006, Atmos filed its proposed GCA to be effective February 1, 2007. On January 11, 2007, Atmos revised its Expected Gas Cost (“EGC”) to reflect a decrease in the wholesale cost of gas.

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 \$8.5387 per Mcf, a decrease of 57.25 cents per Mcf from the previous EGC of \$9.1112. Atmos's EGC for both high load factor (“HLF”) firm customers and interruptible sales customers is \$7.6654 per Mcf, a decrease of 57.25 cents per Mcf from the previous EGC of \$8.2379.

¹ Case No. 1999-00070, The Application of Western Kentucky Gas Company for An Adjustment of Rates, Order dated December 21, 1999.

3. Atmos's notice sets out no current period refund factor ("RF"). The total RF is (5.54) cents per Mcf for firm sales and HLF firm customers, and (5.54) cents per Mcf for interruptible sales customers, and represents no change from the prior refund adjustment. Atmos's notice sets out no refund adjustment for T-2 firm transportation customers or for T-2 interruptible transportation customers.

4. Atmos's notice sets out a correction factor ("CF") of 5.51 cents per Mcf, which is an increase of 36.39 cents per Mcf from the previous CF.

5. Atmos's notice sets out a Performance Based Rate Recovery Factor ("PBRF") of 5.01 cents per Mcf, which is effective from February 1, 2007 until February 1, 2008.

6. Atmos's gas cost adjustments are \$8.5885 per Mcf for firm sales customers and \$7.7152 per Mcf for HLF firm customers and for interruptible sales customers. The impact on firm sales customers is a decrease of 19.84 cents per Mcf from the previous gas cost adjustment of \$8.7869. The impact on HLF firm customers is a decrease of 19.84 cents per Mcf from the previous gas cost adjustment of \$7.9136, and the impact on interruptible sales customers is a decrease of 19.84 cents per Mcf from the previous gas cost adjustment of \$7.9136.

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 February 1, 2007.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for final meter readings on and after February 1, 2007.

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 24th day of January, 2007.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end.

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00568 DATED January 24, 2007

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: \$8.5885 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: \$7.7152 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: \$7.7152 per Mcf of gas used during the billing period.