

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF ATMOS) CASE NO. 2008-00110
ENERGY CORPORATION)

O R D E R

On July 31, 2007, in Case No. 2006-00464,¹ 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 March 26, 2008, Atmos filed its proposed GCA to be effective May 1, 2008.

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 \$11.2977 per Mcf, an increase of \$2.5147 per Mcf from the previous EGC of \$8.7830. Atmos's EGC for interruptible sales customers is \$10.1602 per Mcf, an increase of \$2.2450 per Mcf from the previous EGC of \$7.9152.

¹ Case No. 2006-00464, Application of Atmos Energy Corporation for an Adjustment of Rates.

3. Atmos's notice sets out no current period Refund Factor ("RF"). The total RF is \$0 per Mcf for firm sales customers and \$0 per Mcf for interruptible sales customers, and represents no change from the prior RF. Atmos's notice sets out no RF for T-2 firm transportation customers, T-2 interruptible service, T-3 carriage Service, and T-4 firm carriage service.

4. Atmos's notice sets out a Correction Factor ("CF") of \$.5156 per Mcf, which is an increase of \$.7171 per Mcf from the previous CF.

5. Atmos's notice sets out a Performance Based Rate Recovery Factor of \$.0646 per Mcf, which is effective from February 1, 2008 until February 1, 2009.

6. Atmos's GCAs are \$11.8779 per Mcf for firm sales customers and \$10.7404 for interruptible sales customers. The impact on firm sales customers is an increase of \$3.2318 per Mcf from the previous GCA of \$8.6461. The impact on interruptible sales customers is an increase of \$2.9621 per Mcf from the previous GCA of \$7.7783.

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 May 1, 2008.

IT IS THEREFORE ORDERED that:


1. The rates in the Appendix to this Order are approved for final meter readings on and after May 1, 2008.

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 14th day of April, 2008.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00110 DATED APRIL 14, 2008

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 schedules there shall be added an amount equal to: \$11.8779 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: \$10.7404 per Mcf of gas used during the billing period.