

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS                    )  
ADJUSTMENT FILING OF ATMOS                    ) CASE NO. 2008-00160  
ENERGY CORPORATION                                )

O R D E R

On July 31, 2007, in Case No. 2006-00464,<sup>1</sup> 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 April 30, 2008, Atmos filed an interim GCA to be effective June 1, 2008. On May 15, 2008, Atmos amended Exhibit E and the corresponding schedules with which Exhibit E interacts. Our review of the application indicates that Atmos has applied the incorrect demand factor to calculate Rate T-2, Interruptible Service, since on and after February 1, 2008, which resulted in overcharges to Rate T-2 customers. To correct these errors, Atmos should determine the amount incorrectly billed and issue a billing credit to the affected customers in the first billing cycle following the issuance of this Order.

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.

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

2. Atmos's Expected Gas Cost ("EGC") for firm sales customers is \$12.5364 per Mcf, an increase of \$1.2387 per Mcf from the previous EGC of \$11.2977. Atmos's EGC for interruptible sales customers is \$11.6274 per Mcf, an increase of \$1.4672 per Mcf from the previous EGC of \$10.1602.

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 \$0 per Mcf from the previous CF.

5. Atmos's notice sets out a corrected Performance Based Rate Recovery Factor ("PBRRF") of \$.0969 per Mcf, which is an increase of \$.0323 per Mcf from its previous PBRRF and is effective from February 1, 2008 until February 1, 2009.

6. Atmos's GCAs are \$13.1489 per Mcf for firm sales customers and \$12.2399 for interruptible sales customers. The impact on firm sales customers is an increase of \$1.2710 per Mcf from the previous GCA of \$11.8779. The impact on interruptible sales customers is an increase of \$1.4995 per Mcf from the previous GCA of \$10.7404.

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 June 1, 2008.

IT IS THEREFORE ORDERED that:

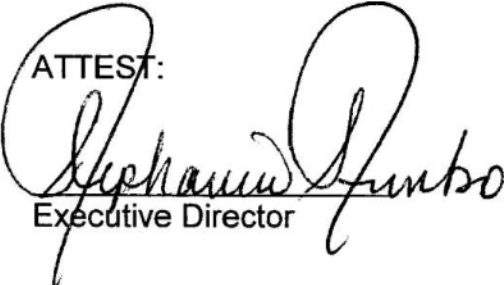
1. The rates in the Appendix to this Order are approved for final meter readings on and after June 1, 2008.

2. Atmos shall determine the amounts incorrectly billed to Rate T-2 customers since on and after February 1, 2008 and issue a billing credit to the affected customers in the first billing cycle following the issuance of this Order.

3. 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 28<sup>th</sup> day of May, 2008.

By the Commission

ATTEST:  
  
Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00160 DATED MAY 28, 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: \$13.1489 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: \$12.2399 per Mcf of gas used during the billing period.