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July 2, 2014

Jeff Derouen
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

Re: Atmos Energy Corporation
Case No. 2013-00148

Dear Mr. Derouen:

Atmos Energy Corporation submits its response to the Commission's order of April 22, which required a report on the refunding of rates to be filed within 75 days of that order.

I certify that the electronic documents are true and correct copies of the original documents to be filed.

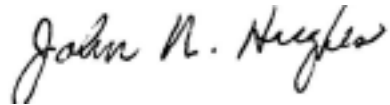
If you have any questions about this filing, please contact me.

Submitted By:

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And

A handwritten signature in black ink that reads "John N. Hughes". The signature is written in a cursive style with a large initial 'J' and 'H'.

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Attorneys for Atmos Energy Corporation

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

IN THE MATTER OF:

Application of Atmos Energy Corporation)
for an Adjustment of Rates) Case No. 2013-00148
and Tariff Modifications)

Response to Commission Order dated April 22, 2014

Ordering Paragraph 8 – Refund Report

Pursuant to the Commission’s Order of April 22, 2014, Atmos Energy Corporation (“Atmos” or “Company”), by counsel, submits its response to Ordering Paragraph 8. Ordering Paragraph 8 states:

“8. Within 75 days from the date of this Order, Atmos-Ky. shall submit a written report to the Commission in which it describes its efforts to refund all monies collected in excess of the rates that are set forth in the appendix to this Order.”

On January 22, 2014, Atmos Energy Corporation ("Atmos") filed a notice, pursuant to KRS 278.190(2), stating that it intended to place the rates as proposed in its application into effect for service rendered on and after on January 24, 2014. The Company implemented the approved rates set forth in the appendix to the Order effective on bills rendered on and after April 25, 2014. The Company began calculating refunds due each customer beginning May 16, 2014. From that date until June 16, 2014, as each customer’s normal billing cycle commenced in turn, the Company executed the following procedure:

1. Calculated the base rate refund due each customer based on each individual customer’s usage from January 24, 2014 through the customer’s most recent meter

reading prior to April 25, 2014. The refund due each customer equals the amount paid by each customer during that period in excess of the rates approved by the Public Service Commission.

- a. There was no difference in the monthly customer charges implemented for service rendered on and after January 24 and those in the Order. Thus no calculation for monthly customer charges was necessary.
 - b. Calculated volumetric rate refund due given the difference between rates implemented on January 24, 2014 and those in the Order based on each customer's individual usage from January 24, 2014 through the customer's most recent meter reading prior April 25, 2014.
 - c. Calculated the WNA impact for applicable customers given each customer's individual usage and actual versus normal degree days from January 24, 2014 through the customer's most recent meter reading prior April 25, 2014.
2. Added interest to the net refund due as calculated in Part 1.
- a. Used a simple interest calculation of 0.04% added to the balance of the refund due. The 0.04% represents 4 months of the annualized rate of 0.12% which is the average of the Three-Month Commercial Paper Rate as reported in the Federal Reserve Bulletin and the Federal Reserve Statistical Release on April 21, 2014. The Company confirmed with Commission staff via email that this rate was the appropriate rate to use. Given the immateriality of the interest rate, the Company simplified the calculation of interest due by calculating the 0.04% on the entire refund balance due rather than considering the timing of actual payments made by customers. By doing so, the Company slightly

overstated the actual amount of interest due each customer. Four months represents the longest period that the Company held any of the amounts billed in excess of the Order.

3. Credited each customer's bill for the refund due including interest on the customer's billing date as each billing cycle commenced beginning May 16, 2014. All billing cycles were complete and all refunds credited by June 16, 2014.
4. For customers whose status became inactive between January 24, 2014 and the calculation of the refund, and who were due a refund greater than \$10.00, the Company mailed a check to the customer's last known or forwarding address.

The Company refunded a total of \$1,969,514.92 including \$503.31 of interest. These amounts have been credited to customers' bills as described above or mailed to the customers' last known forwarding address if applicable. Please see Exhibit 1 for detailed information regarding the amount of refund issued by customer class.

Atmos Energy Corporation
Kentucky/Mid-States Division
Kentucky Operations
Case No. 2013-00148
Ordering Paragraph 8 - Refund Report
Exhibit 1

	Residential	Commercial	Industrial	Public Authority	Transportation
Base Charge Refund	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity Charge Refund	\$ 1,482,666.50	\$ 582,458.39	\$ 35,387.43	\$ 114,718.86	\$ 26,677.66
WNA Refund	\$ (190,795.82)	\$ (68,065.82)	\$ -	\$ (14,035.59)	\$ -
Interest	\$ 241.92	\$ 197.12	\$ 13.87	\$ 40.03	\$ 10.37
Total Refund	\$ 1,292,112.60	\$ 514,589.69	\$ 35,401.30	\$ 100,723.30	\$ 26,688.03