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October 4, 2017

Gwen Pinson Executive Director Public Service Commission 211 Sower Blvd. Frankfort, KY 40601

Re: Atmos Energy Corporation: Case No. 2017-00349

Dear Ms. Pinson:

Atmos Energy Corporation submits its response to the letter of October 3rd. I certify that the electronic filing is a complete and accurate copy of the original documents to be filed in this matter, which will be filed within two days of this submission and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.

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

Joan M. Hugler

John N. Hughes

And

Mark R. Hutchinson Wilson, Hutchinson and Littlepage 611 Frederica St. Owensboro, KY 42301 270 926 5011 randy@whplawfirm.com

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. 2017-00349
and Tariff Modifications)	

RESPONSE TO LETTER OF OCTOBER 3, 2017 AND MOTION FOR DEVIATION

Atmos Energy Corporation (Atmos Energy), by counsel, submits its response to the letter of October 3, 2017 and its motion for deviation pursuant to 807 KAR 5:001(22). The letter specifies the following deficiencies:

- (1) 807 KAR 5:001: Section 16(1)(b)3 New or revised tariff sheets, if applicable, in form complying with 807 KAR 5:011 with an effective date not less than thirty (30) days from the date the application is filed. Tariff Sheet No. 4 base charges are not updated to the proposed rates.
- (2) 807 KAR 5:001: Section 16(1)(b)4 New or revised tariff sheets, if applicable, shown either by providing the present and proposed tariffs in comparative form on the same sheet side by side or on facing sheets side by side, or providing a copy of the present tariff indicating proposed additions by italicized inserts or underscoring and striking over proposed deletions. Tariff Sheet No. 4 base charges are not updated to the proposed rates.
- (3) 807 KAR 5:001: Section 16(7)(e)3 Attestation signed by utility's chief officer in charge of Kentucky operations providing: That productivity and efficiency gains are included in the forecast. Only states that productivity gains are included.
- (4) 807 KAR 5:001: Section 17(4)(c) The amount of the change requested in both dollar amounts and percentage change for each customer classification to which the proposed rates will apply. R&D rider missing dollar amount change and percentage change is incorrect.

The corrected items 1, 2, 3, and 4 are attached.

The R&D Rider change that applies to the distribution charge applicable to all gas transported by the Company other than the T-3 and T-4 Transportation Service is \$0.0035/Mcf to \$0.0174/Mcf, resulting in a dollar change of \$0.0139/Mcf and a percentage change of 397.1% in the rate. This results in an increase of \$0.07 a month in the average residential bill and \$0.36 per month in the average commercial/public authority bill. The corrected notice is shown below.

R&D included in present and proposed rates:

Customer Class	Average Monthly Usage (Mcf)	Average Monthly Bill (Present Rates)	Average Monthly Bill (Proposed Rates)	Increase in Average Monthly Bill (\$)	Increase in Average Monthly Bill (%)
Residential	5.3	\$52.17	\$55.23	\$3.06	5.9%
Commercial/Pub Auth	25.73	\$208.72	\$219.15	\$10.43	5.0%
Industrial/transportation	5,999	\$4,505.27	\$4,987.78	\$482.52	10.7%

Atmos Energy moves for a deviation to allow publication of the corrected notice on its web site and to publish the corrected notice for the final two weeks of the three consecutive weeks required by the regulation. The first publication of the notice was the week beginning October 2, 2017. Atmos has notified the KY Press Association to insert the corrected notice for the final two weeks of publication. Atmos Energy believes that this modified publication substantially complies with the substantive requirements of the regulations. The deficiencies have no significant impact on any customer's ability to understand the proposed changes to the tariffs and rates. Any discrepancy between the published and actual rates on an average monthly bill is de minimus.

In Case No 2015-00343, The Application of Atmos Energy for and Adjustment of Rates, the Commission granted a deviation from the regulation by allowing Atmos to make a one-time publication of the deficient rate. That order reflected the Commission's prior recognition of substantial compliance of the notice requirements. For example, in "The Application of Northeast Woodford County Water District", Case No. 2001-331, Order dated January 15, 2002, the Commission allowed a deviation: "The filing of December 5, 2001 included a request for deviation from the notice requirements of 807 KAR 5:011, Section 8. As grounds for its request for deviation, Northeast Woodford states that it published notice as required and that **its notice**

contained a majority of the elements required by Commission regulation." The

Commission ruled in its order:

1. The notice furnished by Northeast Woodford substantially complies

with the requirements of 807 KAR 5:011, Section 8. (Emphasis added)

In other situations, the Commission has found that defects in publication of notices can

be cured by the granting of deviations. For example, In the Examination of the Fuel Clause

Adjustment of Kentucky Utilities, Case No. 2012-00320, dated December 14, 2012, the

Commission found that "...KU has substantially complied with the notice requirements of 807

KAR 5:011, Section 8(5), that this substantial compliance has satisfied the requirements of the

regulation, and, pursuant to 807 KAR 5:011, Section 14, that it should be granted deviation from

the notice requirements contained therein."

Given the minor nature of the deficiencies, Atmos Energy asserts that it has provided

good cause for granting the deviations requested and that there is abundant precedent for the

Commission to grant the deviations. Atmos Energy moves for an order finding good cause for

the deviations, that the modified publication of the notice be accepted, that the application be

deemed in substantial compliance with all filing requirements and that the case be docketed for

review.

Submitted by:

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Attorneys for Atmos Energy Corporation

PSC KY. No. 2

First Revised SHEET No. 1

Cancelling

Original SHEET No. 1

ATMOS ENERGY CORPORATION

(NAME OF UTILITY)

(NAME OF UTILITY)	Original SHEET No. 1
Rate Book Index	
General Information	Sheet No.
Rate Book Index	1 to 2
Towns and Communities	3
System Map	-
Current Rate Summary	4
Current Gas Cost Adjustment (GCA)	5
Current General Transportation Rates	6
Computer Billing Rate Codes	7
Sales Service	
General Firm Sales Service (G-1)	8 to 9
Interruptible Sales Service (G-2)	10 to 13
Weather Normalization Adjustment (WNA)	14
Gas Cost Adjustment (GCA)	15 to 17
Performance Based Rate Mechanism (PBR)	18 to 29
Demand Side Management (DSM)	30 to 36
Research & Development Rider (R & D)	37
Pipeline Replacement Rider (PRP)	38 to 39
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Miscellaneous Special Charges	63
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4. Billings	65 to 66
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Issued by	Authority of an Order of the Public Service Commission in
	Case No. 2017-00349
ISSUED BY	/s/ Mark A. Martin
	Signature of Officer
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TITLE	Vice President – Rates and Regulatory Affairs

P.S.C. KY NO. 2

EIGHTEENTH REVISED SHEET NO. 4

CANCELLING

SEVENTEENTH REVISED SHEET NO. 4

ATMOS ENERGY CORPORATION NAME OF UTILITY

Firm Service Base Charge: Residential (G-1) Non-Residential (G-1) Transportation (T-4) Transportation Administration Fee Rate per Mcf Sales (G-1) First 300 Mcf 6.8814 per Mcf 1.8250 per meter per month per delivery point per month per delivery point per month per customer per meter Transportation (T-4) First 300 Mcf 6.8814 per Mcf 1.8250 per Mcf	(1)
Residential (G-1) - \$20.50 per meter per month Non-Residential (G-1) - 52.50 per meter per month Transportation (T-4) - 400.00 per delivery point per month Transportation Administration Fee - 50.00 per customer per meter Rate per Mcf ² Sales (G-1) Transportation (T-4) First 300 1 Mcf @ 6.8814 per Mcf @ 1.8250 per Mcf	(1)
First 300 ¹ Mcf @ 6.8814 per Mcf @ 1.8250 per Mcf	
Next 14,700 ¹ Mcf @ 6.2414 per Mcf @ 1.1850 per Mcf Over 15,000 Mcf @ 5.9564 per Mcf @ 0.9000 per Mcf	(I, (I, (I,
Interruptible Service Base Charge - \$400.00 per delivery point per month Transportation Administration Fee - 50.00 per customer per meter	(1)
Rate per Mcf ² Sales (G-2) Transportation (T-3) First 15,000 Mcf @ 4.8857 per Mcf @ 1.0450 per Mcf Over 15,000 Mcf @ 4.6047 per Mcf @ 0.7640 per Mcf	(I, (I,

¹ All gas consumed by the customer (sales, transportation; firm and interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

DATE OF ISS	SUE	September 28, 2017
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		MONTH / DATE / YEAR
ISSUED BY		/s/ Mark A. Martin
		SIGNATURE OF OFFICER
TITLE	Vice President -	Rates & Regulatory Affairs
BY AUTHOR	UTY OF ORDER	OF THE PUBLIC SERVICE COMMISSION
IN CASE NO	2017-00349	DATED

² DSM, PRP and R&D Riders may also apply, where applicable.

P.S.C. KY NO. 2

EIGHTEENTH REVISED SHEET NO. 6

ATMOS ENERGY CORPORATION

NAME OF UTILITY

CANCELLING

SEVENTEENTH REVISED SHEET NO. 6

Current Transportation Case No. 2017-00349

The Transportation Rates (T-3 and T-4) for each respective service net monthly rate is as follows:

System Lost and Unaccounted gas percentage:

1.28%

	4			Simple Margin	Non- Commodity	<u></u>	Gross Margin	_	
Transportation Firm Serv									
First	300	Mcf	@	\$1.8250 +	\$0.0000	=	\$1.8250	per Mcf	(1
Next	14,700	Mcf	@	1.1850 +	0.0000	=	1.1850	per Mcf	(1
All over	15,000	Mcf	@	0.9000 +	0.0000	=	0.9000	per Mcf	(1
<u>Interrupti</u>	ble Service (<u>T-3)</u>							
First	15,000	Mcf	@	\$1.0450 +	\$0.0000	=	\$1.0450	per Mcf	(1)
All over	15,000	Mcf	@	0.7640 +	0.0000	=	0.7640	per Mcf	(1

DATE OF ISSUE	September 28, 2017 MONTH/DATE/YEAR
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TITLE Vice Presid	ent – Rates & Regulatory Affairs
	ORDER OF THE PUBLIC SERVICE COMMISSION 7-00349 DATED

¹ Excludes standby sales service.

PSC KY. No. 2

Second Revised SHEET No. 8

Cancelling

First Revised SHEET No. 8

ATMOS ENERGY CORPORATION

(NAME OF UTILITY)

General Firm Sales Service Rate G-1

1. Applicable

Entire Service Area of The Company.

2. Availability of Service

Available for any use for individually metered service, other than auxiliary or standby service (except for hospitals or other uses of natural gas in facilities requiring emergency power, however, the rated input to such emergency power generators is not to exceed the rated input of all other gas burning equipment otherwise connected multiplied by a factor equal to 0.15) at locations where suitable service is available from the existing distribution system and an adequate supply of gas to reader service is assured by the supplier(s) of natural gas to the Company.

3. Net Monthly Rate

a)	Base Char	·ge		
	\$20.50	per meter for residential s	service	(I)
	\$52.50	per meter for non-residen	tial service	(I)
b)	Distributio	on Charge		
	First ¹	300 Mcf @	\$1.8250 per 1,000 cubic feet	(I)
	Next1	14,700 Mcf @	1.1850 per 1,000 cubic feet	(I)
	Over	15,000 Mcf @	0.9000 per 1,000 cubic feet	(I)

- c) Weather Normalization Adjustment.
- d) Gas Cost Adjustment (GCA) Rider, referenced on Sheet No. 15.
- e) Demand Side Management Cost Recovery Mechanism (DSM), referenced on Sheet No. 36.
- f) Research & Development Rider (R&D), referenced on Sheet No. 37.
- g) Pipe Replacement Program (PRP) Rider, referenced on Sheet No. 39.

¹ All gas consumed by the customer (Sales and Transportation; firm and interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

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TITLE	Vice President – Rates and Regulatory Affairs			

PSC KY. No. 2

Second Revised SHEET No. 11

Cancelling

First Revised SHEET No. 11

ATMOS ENERGY CORPORATION

(NAME OF UTILITY)

Interruptible Sales Service

Rate G-2

d) Revision of Delivery Volumes

The Daily Contract Demand for High Priority service and the Daily Contract Demand for Interruptible service shall be subject to revision as necessary so as to coincide with the customer's normal operating conditions and actual load with consideration given to any anticipated changes in customer's utilization, subject to the Company's contractual obligations with other customers or its suppliers, and subject to system capacity and availability of the gas if an increased volume is involved.

4. Net Monthly Rate

a) Base Charge:

\$400.00 per delivery point per month

The Base Charge plus any Transportation Fee and EFM facilities charge

(I)

(I)

and any Pipe Replacement Rider.

b) Distribution Charge

Minimum Charge:

High Priority Service

The volume of gas used each day up to, but not exceeding the effective High Priority Daily Contract Demand shall be totaled for the month and billed at the "General Firm Sales Service Rate G-1".

Interruptible Service

Gas used per month in excess of the High Priority Service shall be billed as follows:

First¹ 15,000 Mcf

\$1.0450 per 1,000 cubic feet

Over 15,000 Mcf

0.7640 per 1,000 cubic feet

- c) Gas Cost Adjustment (GCA) Rider, referenced on Sheet No. 15
- d) Research & Development Rider (R&D), referenced on Sheet No. 37.
- e) Pipe Replacement Program (PRP) Rider, referenced on Sheet No. 39.

¹ All gas consumed by the customer (Sales and Transportation; firm and interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

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PSC KY. No. 2

First Revised SHEET No. 37

Cancelling

Original SHEET No. 37

ATMOS ENERGY CORPORATION

(NAME OF UTILITY)

Research & Development Rider

R & D Unit Charge

1. Applicable:

This rider applies to the distribution charge applicable to all gas transported by the Company other than Rate T-3 and T-4 Transportation Service.

2. R&D Unit Charge:

The intent of the Research & Development Unit Charge is to maintain the Company's level of contribution per Mcf as of December 31, 1998.

R&D Unit Charge @ \$0.0174 per 1,000 cubic feet

(I)

3. Waiver Provision:

The R&D Unit Charge may be reduced or waived for one or more classifications of service or rate schedules at any time by the Company by filing notice with the Commission. Any such waiver shall not increase the R&D Unit Charge to the remaining classifications of service or rate schedules without Commission approval.

4. Remittance of Funds:

All funds collected under this rider will be remitted to Gas Technology Institute, or similar research or commercialization organization. The amounts so remitted shall be reported to the Commission annually.

5. Reports to the Commission:

A statement setting forth the manner in which the funds remitted have been invested in research and development will be filed with the Commission annually.

6. Termination of this Rider:

DATE OF ICCID

Participation in the R&D funding program is voluntary on the part of the Company. This rider may be terminated at any time by the Company by filing a notice of rescission with the Commission.

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PSC KY. No. 2

Fifth Revised SHEET No. 39

Cancelling

Fourth Revised SHEET No. 39

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ATMOS ENERGY CORPORATION

(NAME OF UTILITY)

Pipeline Replacement Program Rider

4. Pipe Replacement Rider Rates

The charges for the respective gas service schedules for the revenue month beginning October 1, 2017 per billing period are:

	Monthly <u>Customer Charge</u>		Distribution Charge per Mcf		
Rate G-1 (Residential)	\$0.00		\$0.00		(R,-)
Rate G-1 (Non-Residential)	\$0.00		\$0.00		(R,-)
Rate G-2	\$0.00	1-15,000 Over 15,000		per 1000 cubic feet per 1000 cubic feet	(R,R) (R)
Rate T-3	\$0.00	1-15,000 Over 15,000		per 1000 cubic feet per 1000 cubic feet	(R,R) (R)
Rate T-4	\$0.00	1-300 301-15,000 Over 15,000	\$0.0000	per 1000 cubic feet per 1000 cubic feet per 1000 cubic feet	(R,R) (R) (R)

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TITLE	Vice President - Rates and Regulatory Affairs	

PSC KY. No. 2

First Revised SHEET No. 42

Cancelling

Original SHEET No. 42

(N)

ATMOS ENERGY CORPORATION

(NAME OF UTILITY)

Annual Review Mechani	sm	
ARM		

I. Applicable

To all gas sold and transported under tariff services, excluding approved special contracts.

II. Purpose

Pursuant to this Annual Review Mechanism ("ARM") and the annual filings described in section IV.A below, the Company's tariff rates (excluding approved special contract rates) shall be adjusted to provide that the Company earns the Authorized Return on Equity. The rate adjustments implemented under this mechanism will reflect changes in the Company's revenues, cost of service, and rate base. The ARM may be terminated or modified as provided under this ARM.

III. Definitions

- A) **Annual Filing Date** shall be the date the Company will make its annual ARM filing. The Annual Filing Date shall be no later than December 1 of each year.
- B) **Historic Base Period** is defined as the twelve month period ending August 31 of each year prior to each Annual Filing Date.
- C) Forward Looking Test Year is defined as the twelve months beginning April 1 of each calendar year.
- D) **Authorized Return on Equity** is defined as the return on equity established by the Kentucky Public Service Commission ("Commission") in Case No. 2017-00349, or in any subsequent general rate case, whichever is more recent.
- E) Annual Reconciliation Revenue Requirement is the revenue requirement necessary to adjust the actual return on equity to the Authorized Return on Equity for the Forward Looking Test Year immediately completed, all determined in accordance with the Approved Methodologies.
- F) **New Matters** refers to any issue, adjustment, and/or ambiguity in or for any account, method of accounting or estimation, or ratemaking topic that would directly or indirectly affect the Annual ARM Filing for which there is no explicit prior determination by the Commission regarding the Company.
- G) **Approved Methodologies** are defined as the methodologies approved and adopted by the Commission in Case No. 2017-00349 or in any subsequent general rate case, whichever is more recent, or as modified following a determination on a New Matter (defined in part F.).

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ISSUED BY	/s/ Mark A. Martin	
-	Signature of Officer	
TITLE	Vice President – Rates and Regulatory Affairs	

PSC KY. No. 2

Original SHEET No. 42.1

ATMOS ENERGY CORPORATION

(NAME OF UTILITY)

	Annual Review Mechanism				
·		ARM			
IV.	ARM Filing				
	supporting wo	al Filing Date each year the Company shall file with the Commission schedules and rk papers that reflect the actual annual amounts as reflected on the books and records of the the Historic Base Period as well as the projected amounts expected during the Forward Year.			
	("FRs") as we FR 16(1)(b)(3) FR 16(1)(b)(4)	of the Annual Filing. The ARM filing shall include the following Filing Requirements ll as all relied-upon documents, spreadsheets, and work papers produced to support them: Proposed Tariffs Proposed Tariff Changes			
	FR 16(1)(b)(5)	Statement on Customer Notice Statement of attestation (actisfied by "Contificate" described in Section II, below)			
	FR 16(7)(e) FR 16(7)(u)	Statement of attestation (satisfied by "Certificate" described in Section II. below) Method and amounts allocated during base period and method and estimated amounts to be allocated during forecasted test period; Explain how allocator for both base and forecasted test period was determined; and			
	FR 16(8)(a)	A jurisdictional financial summary for both the base period and the forecasted period that details how the utility derived the amount of the requested revenue increase;			
	FR 16(8)(b)	A jurisdictional rate base summary for both the base period and the forecasted period with supporting schedules, which include detailed analyses of each component of the rate base;			
	FR 16(8)(c)	Jurisdictional operating income summary for both base and forecasted periods with supporting schedules which provide breakdowns by major account group and individual account;			
	FR 16(8)(d)	Summary of jurisdictional adjustments to operating income;			
	FR 16 (8)(e)	Jurisdictional federal and state income tax summaries;			
	FR 16(8)(f)	Summary schedules for the base and forecast periods of various expenses;			
	FR 16(8)(g)	Analysis of payroll costs;			
	FR 16(8)(h)	Computation of gross revenue conversion factor;			
	FR 16(8)(i)	Comparative income statements, revenue and sales statistics, base period, forecast period and two (2) years beyond;			
	FR 16 (8)(j)	Cost of Capital Summary			
	FR 16 (8)(k)	Comparative financial data			
	FR 16(8)(m)	Revenue Summary			
	FR 16(8)(n)	Bill Comparison			
		Notice of Annual Adjustment			
	FR 17(2)(b)3	Manner of Notification			
	FR 17(3)(b)	Publisher Affidavits			
	FR 17(4)(a)-(j)	Notice Requirements			

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_	Signature of Officer	
TITLE	Vice President – Rates and Regulatory Affairs	

PSC KY. No. 2

Original SHEET No. 42.2

ATMOS ENERGY CORPORATION

	Annual Review Mechanism
	ARM
	Revenue Requirements. In presenting data that demonstrates the Forward Looking Test Year venue requirements
a.	Rate Base and Cash Working Capital requirements will be determined in accordance with the Approved Methodologies. The Company shall calculate Cash Working Capital requirements by multiplying its total O&M by 1/8 th .
b.	Depreciation expenses shall reflect the depreciation rates approved by the Commission in Case No. 2015-00343. If and when the Company performs a new depreciation study, the new study will be filed with the Commission. Following any appropriate discovery and rebuttal, and conditioned upon approval by the Commission of new rates, the Company shall calculate depreciation expenses using the newly approved rates in its subsequent Annual ARM Filing.
c.	Forward Looking Test Year Operating Expenses (O&M, Taxes other than Income Taxes, and Income Taxes) will be projected using the Approved Methodologies.
d.	The Historic Base Period data shall include actual revenues by billing component, and the Forward Looking Test Year data shall reflect adjustments to forecast revenue billing determinants based on the revenue forecasting methodologies included in the Approved Methodologies for projecting the number of customers and average customer use.
e.	Cost of Capital will be calculated using the Authorized Return on Equity. The Company's cost of debt and capital structure will be calculated using the Approved Methodologies.
f.	Schedules filed pursuant to this mechanism shall utilize the Approved Methodologies as well as other adjustments required to account properly for atypical, unusual, or nonrecurring events.
Att	New Matters. If New Matters arise, the Company, Commission Staff, intervenors, and the Office of orney General will endeavor to reach a resolved treatment, or if necessary, will seek a ruling from the mmission.
DATE OF IS	SUE September 28, 2017 Month/Date/Year
DATE EFFE	CTIVE October 28, 2017 Month/Date/Year

TITLE Vice President – Rates and Regulatory Affairs

ISSUED BY /s/ Mark A. Martin
Signature of Officer

Case No. 2017-00349

PSC KY. No. 2

Original SHEET No. 42.3

ATMOS ENERGY CORPORATION

(NAME OF UTILITY)

Annual Review Mechanism	
ARM	(N)
	_

V. Attestation

With each Annual ARM Filing, a Company officer shall, as of the date of each Annual ARM Filing, affirmatively represent and warrant, upon information and belief formed after reasonable inquiry, by signing a certificate ("Certificate") under oath: (1) That the Company's Annual ARM Filing has been prepared in accordance with the Approved Methodologies, or that any deviation from or the resolution of any ambiguities in the Approved Methodologies has been affirmatively disclosed and explained in a document attached to such affidavit; (2) That all New Matters have been affirmatively disclosed and explained in a document attached to such affidavit; (3) That the Variance Report includes all matters that are required by the ARM Tariff and any related Commission order to be disclosed in the Variance Report; (4) That no Disallowed Items have been included in the Company's Annual ARM Filing; (5) That productivity and efficiency gains are included in the forecast; (6) That, except as expressly disclosed in a separate schedule dedicated to such disclosure attached to the Certificate, there have been no additions, deletions, or modifications to the accounts or subaccounts used by the Company to account for operating revenues and expenses since the previous year's ARM filing.

VI. April 1 Rate Adjustment

Based upon the Forward Looking Test Year and the Approved Methodologies, the Company's tariff rates shall be adjusted to provide for the Company to earn the Authorized Return on Equity. Anything else to the contrary notwithstanding, in determining the annual rate adjustment specified by this paragraph, calculations shall include the Annual Reconciliation Revenue Requirement adjustment discussed in section VII below. All tariff rates shall be adjusted in proportion to the relative adjusted Historic Base Period revenue share of each class and rate, as specified in the Approved Methodologies. The Company shall file revised tariffs reflecting the new rates. The revised tariffs and new rates shall be effective for bills rendered on or after the April 1 immediately following the Annual Filing Date. Approved special contract rates shall be exempt from this ARM and shall not be adjusted hereunder.

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TITLE	Vice President – Rates and Regulatory Affairs	

PSC KY. No. 2

Original SHEET No. 42.4

ATMOS ENERGY CORPORATION

(NAME OF UTILITY)

Annual Review Mechanism	
ARM	(N)

VII. Annual Reconciliation to Authorized Return on Equity

On or before July 1 of each year, the Company shall file with the Commission, and shall provide a copy to the Office of Attorney General, a reconciliation of actual results ("Annual Reconciliation") to the Authorized Return on Equity for the Forward Looking Test Year immediately completed. The Annual Reconciliation shall include a calculation of actual cost of service, determined in accordance with the Approved Methodologies, for the Forward Looking Test Year immediately completed; using the same revenue requirement model used in each Annual ARM Filing, substituting actual results in place of previously forecasted data for all aspects of cost of service, excluding revenue calculations. Actual cost of service shall be compared with actual revenue, ignoring the revenue impact of any prior year reconciliation, to determine the revenue requirement ("Annual Reconciliation Revenue Requirement") necessary to adjust the actual return on equity to the Authorized Return on Equity for the Forward Looking Test Year immediately completed, all determined in accordance with the Approved Methodologies. Interest will be added to the Annual Revenue Reconciliation Revenue Requirement (whether positive or negative). The interest rate shall be the overall cost of capital as stated on Schedule A.1 of the Annual ARM Filing compounded for 2 years. New rates shall be calculated to produce a net rate adjustment comprised of the Annual Reconciliation Revenue Requirement from the most recently completed Forward Looking Test Year and the revenue sufficiency/deficiency for the ensuing Forward Looking Test Year, all determined in accordance with the methodologies set forth herein and as approved and adopted by the Commission. The resulting rates shall be effective on bills rendered on and after April 1 of each year. All tariff rates (except Special Contract rates, which shall not be affected) shall be adjusted in proportion to the relative base revenue share of each class as described above.

VIII. The Company will simultaneously copy the Office of Attorney General on all filings made pursuant to this ARM Tariff

DATE OF ISS	September 28, 2017		
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DATE EFFEC	TIVE October 28, 2017		
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	Case No. 2017-00349		
ISSUED BY	/s/ Mark A. Martin		
•	Signature of Officer		
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TITLE	Vice President – Rates and Regulatory Affairs		

PSC KY. No. 2

Original SHEET No. 42.5

ATMOS ENERGY CORPORATION

(NAME OF UTILITY)

Annual Review Mechanism	
ARM	(N)

IX. Variance Reporting

As part of its Annual ARM Filing, Atmos Energy shall prepare and file with the Commission, with a copy to the Office of Attorney General, a Variance Report ("Variance Report") that identifies and explains each and every Atmos Energy operating revenue and expense account and/or subaccount for which the Kentucky amount (including amounts allocated to Kentucky) either; exceeds the prior year's amount (based on amounts as filed by Atmos Energy in the Annual ARM Filing) by 5% and \$30,000; or exceeds the amount (based on amounts as filed by Atmos Energy in the Annual ARM Filing) in such account and/or subaccount in the third preceding year by 10% and \$60,000; or has been, when compared with the accounts and/or subaccounts existing on the Effective Date of the ARM Tariff and/or used in the calculations referenced herein, added or deleted or modified in form or substance in any way. As to any account and/or subaccount (and including without limitation any process related directly or indirectly to any such account or subaccount) included on a Variance Report, subject to the Commission's rule of discovery, the Commission, intervenors and/or Office of Attorney General shall have the right in its discretion to request additional information and an explanation from Atmos Energy. Atmos Energy agrees to provide any such information or explanation requested within ten business days of such request. The Office of Attorney General, further, has the right in its discretion to bring such account and/or subaccount (or related process) to the attention of the Commission and to request the Commission to review and consider such account and/or subaccount (or related process).

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TITLE	Vice President – Rates and Regulatory Affairs
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September 28, 2017

DATE OF ISSUE

PSC KY. No. 2

Second Revised SHEET No. 45

Cancelling

First Revised SHEET No. 45

ATMOS ENERGY CORPORATION

(NAME OF UTILITY)

Interruptible Transportation Service Rate T-3

1. Applicable

Entire service area of the Company to any customer for that portion of the customer's interruptible requirements not included under one of the Company's sales tariffs.

Availability of Service

- a) Available to any customer with an expected demand of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require interruptible transportation service by the Company to customer's facilities subject to suitable service being available from existing facilities.
- b) The Company may decline to initiate service to a customer under this tariff or to allow a customer receiving service under this tariff to elect any other service provided by the Company, if in the Company's sole judgment, the performance of such service would be contrary to good operating practice or would have a detrimental impact on other customers serviced by the Company.

3. Net Monthly Rate

- In addition to any and all charges assessed by other parties, there will be applied: \$400.00 per delivery point (I) a) Base Charge Fee-50.00 per customer per month b) Transportation Administration c) Distribution Charge for Interruptible Service (I) First¹ 15,000 Mcf \$1.0450 per Mcf (a)Over 15,000 Mcf (a)0.7640 per Mcf (I)
- d) Applicable Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.
- e) Electronic Flow Measurement ("EFM") facilities charge, if applicable.
- f) Pipe Replacement Program (PRP) Rider.

¹All gas consumed by the customer (Sales and transportation; firm and interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

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Vice President - Rates and Regulatory Affairs

PSC KY. No. 2

First Revised SHEET No. 51

Cancelling

Original SHEET No. 51

ATMOS ENERGY CORPORATION

(NAME OF UTILITY)

Interruptible Transportation Service Rate T-3

5. Alternative Fuel Responsive Flex Provision

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the applicable Distribution Charge on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by the customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.

Pursuant to this Section, the Company may flex the otherwise applicable transportation rate to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

September 28, 2017
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Month/Date/Year
ority of an Order of the Public Service Commission in
Case No. 2017-00349
/s/ Mark A. Martin
Signature of Officer
Vice President – Rates and Regulatory Affairs

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PSC KY. No. 2

Second Revised SHEET No. 52

Cancelling

First SHEET No. 52

(T)

ATMOS ENERGY CORPORATION

(NAME OF UTILITY)

Firm Transportation Service

Rate T-4

1. Applicable

Entire Service Area of the Company to any customer for that portion of the customer's firm requirements not included under one of the Company's sales tariffs.

2. Availability of Service

- a) Available to any customer with an expected demand of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require firm transportation service by the Company to customer's facilities subject to suitable service being available from existing facilities.
- b) The Company may decline to initiate service to a customer under this tariff or to allow a customer receiving service under this tariff to elect any other service provided by the Company, if in the Company's sole judgment, the performance of such service would be contrary to good operating practice or would have a detrimental impact on other customers serviced by the Company.

3. Net Monthly Rate

In addition to any and all charges assessed by other parties, there will be applied:

a) Base Charge - \$400.00 per delivery point (I)
b) Transportation Administration Fee - 50.00 per customer per month
c) Distribution Charge for Firm Service

First¹ 300 Mcf per Mcf (I) \$1.8250 (a)Next1 14,700 Mcf 1.1850 per Mcf (I) (a)15,000 Mcf (I) Over 0.9000 per Mcf (a).

- d) Applicable Non-Commodity Components as calculated in the Company's Gas Cost Adjustment (GCA) filing.
- e) Electronic Flow Measurement ("EFM") facilities charges, if applicable.
- f) Pipe Replacement Program (PRP) Rider.

¹ All gas consumed by the customer (sales and transportation; firm and interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

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TITLE	Vice President – Rates and Regulatory Affairs

PSC KY. No. 2

First Revised SHEET No. 65

Cancelling

Original SHEET No. 65

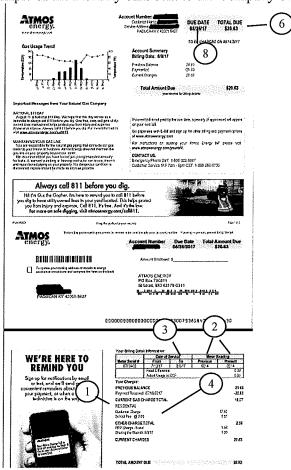
ATMOS ENERGY CORPORATION

(NAME OF UTILITY)

Rules and Regulations

4. Billings

a) The following is an example of the monthly bills sent to the Company's residential customers:



- 1. Class of Service
- 2. Present and last Preceding Meter Reading
- 3. Date of Present Reading
- 4. Number of Units Consumed

- 5. Meter Constant if Any-Not Applicable to Residential Service
- 6. Net Amount for Service Rendered
- 7. Gross Amount of Bill Not Applicable to Residential Service
- 8. Date After Which Additional Charges May Apply

Note: Large Volume Commercial and Industrial Billing Will Display the Above Information but May be Presented in Different Format.

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PSC KY. No. 2

ATMOS ENERGY CORPORATION (NAME OF UTILITY)

Original SHEET No. 1

Rate Book Index		<u> </u>
General Information	Chart No	İ
Rate Book Index	Sheet No. 1 to 2	
Towns and Communities	3	
System Map	3	
Current Rate Summary	4	
Current Gas Cost Adjustment (GCA)	5	
Current General Transportation Rates	6	
Computer Billing Rate Codes	7	
Sales Service		Ì
General Firm Sales Service (G-1)	8 to 9	(T)
Interruptible Sales Service (G-2)	10 to 13	(T) (T)
Weather Normalization Adjustment (WNA)	10 10 13	(D,T)
Gas Cost Adjustment (GCA)	15 to 17	
Experimental Performance Based Rate Mechanism (PBR)	18 to 29	(T) (T)
Demand Side Management (DSM)	30 to 36	(1) (D,T)
Research & Development Rider (R & D)	37	(T)
Pipeline Replacement Rider (PRP)	38 to 39	(T)
Economic Development Rider (EDR)	40 to 41	(T)
Reserved for Future Use	42 to 44	(N)
1,000,700,101,1,000	12 10 11	(11)
Transportation Service		
Transportation Service (T-3)	45 to 51	(T)
Transportation Service (T-4)	52 to 58	(T)
Alternate Receipt Point Service (T-5)	59 to 60	(T)
Transportation Pooling Service (T-6)	61 to 62	(T)
2.1120p-1-11000 0 000008 - 11 1100 (1 0)	01 10 02	(*)
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Company's Rules and Regulations	64	(T)
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5. Deposits	67 to 68	(T)
6. Special Charges	68 to 70	(T)
DATE OF ISSUE May 13, 2013		
Month/Date/Year		

DATE OF ISSUE	May 13, 2013
	Month/Date/Year
DATE EFFECTIVE	January 24, 2014
	Month/Datc/Year
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FOR ENTIRE SERVICE AREA

PSC KY. No. 2

First Revised SHEET No. 1

Cancelling Original SHEET No. 1

ATMOS ENERGY CORPORATION (NAME OF UTILITY)

(TANKE OF GIRLLY)	Original SHEET No. 1
Rate Book Index	
General Information	Sheet No.
Rate Book Index	1 to 2
Towns and Communities	. 3
System Map	-
Current Rate Summary	4
Current Gas Cost Adjustment (GCA)	5
Current General Transportation Rates	6
Computer Billing Rate Codes	7
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P.S.C. KY NO. 2

SEVENTEENTH REVISED SHEET NO. 4

ATMOS ENERGY CORPORATION
NAME OF UTILITY

CANCELLING

SIXTEENTH REVISED SHEET NO. 4

	Current Rate Su Case No. 2017-0		
Firm Service			
Base Charge: Residential (G-1) Non-Residential (G-1) Transportation (T-4) Transportation Fee	- 44.50 - 375.00	per meter per month per meter per month per delivery point per month per customer per meter	
First 300 ¹ Mcf @ Next 14,700 ¹ Mcf @	Sales (G-1) @ 6.5904 per Mcf @ 6.0064 per Mcf @ 5.7964 per Mcf	Transportation (T-4)	(R, -) (R, -) (R, -)
Interruptible Service Base Charge Transportation Administration Fee		per delivery point per month per customer per meter	
First 15,000 ¹ Mcf @	Sales (G-2) @ 4.6907 per Mcf @ 4.4812 per Mcf	<u>Transportation (T-3)</u> @ 0.8500 per Mcf @ 0.6405 per Mcf	(R, -) (R, -)
considered for the purpose been achieved.	•	lume requirement of 15,000 Mcf has	
DSW, PKP and K&D Klder	rs may also apply, where applic	eure.	

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	MONTH/DATE/YEAR	
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	MONTH/DATE/YEAR	
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	SIGNATURE OF OFFICER	
TITLE	Vice President - Rates & Regulatory Affairs	
BY AUTHOR	RITY OF ORDER OF THE PUBLIC SERVICE COMMISSION	
IN CASE NO	2017-00260 DATEDN/A	

FOR ENTIRE SERVICE AREA

P.S.C. KY NO. 2

EIGHTEENTH REVISED SHEET NO. 4

CANCELLING

SEVENTEENTH REVISED SHEET NO. 4

ATMOS ENERGY CORPORATION NAME OF UTILITY

				ent Rate Sur se No. 2017-0		
Firm Service						
Base Charge: Residential Non-Reside Transportati Transportation Admin	ntial (G-1) on (T-4)	è		- 52.50 - 400.00	per meter per month per meter per month per delivery point per month per customer per meter	(1) (1) (1)
Rate per Mcf² First 300 Next 14,700 Over 15,000	1 Mcf	@ 6	5.8814 5.2414	per Mcf per Mcf per Mcf	Transportation (T-4) @ 1.8250 per Mcf @ 1.1850 per Mcf @ 0.9000 per Mcf	(). (). ().
Interruptible Service Base Charge Transportation Admin	•	è			per delivery point per month per customer per meter .	(1)
Rate per Mcf ² First 15,000 Over 15,000			4.8857	per Mcf per Mcf	<u>Transportation (T-3)</u> ② 1.0450 per Mcf ② 0.7640 per Mcf	(i,
•						
	for the purp				irm and interruptible) will be me requirement of 15,000 Mcf has	

DATE OF ISSUE	September 28, 2017
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	SIGNATURE OF OFFICER
TITLE Vice Presider	nt – Rates & Regulatory Affairs
BY AUTHORITY OF ORD	ER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO 2017-0034	9 DATED

² DSM, PRP and R&D Riders may also apply, where applicable.

P.S.C. KY NO. 2

SEVENTEENTH REVISED SHEET NO. 6

CANCELLING

ATMOS ENERGY CORPORATION NAME OF UTILITY

SIXTEENTH REVISED SHEET NO. 6

Current Transportation

Case No. 2017-00260

The Transportation Rates (T-3 and T-4) for each respective service net monthly rate is as follows:

System Lost and Unaccounted gas percentage:

1.28%

Transportation	Service 1			Simple Margin	Non- Commodity	Gross Margin	-	
Firm Serv First	300	Mcf Mcf	@	\$1.5340 +	\$0.0000 =	\$1.5340	•	(-)
Next All over	14,700 15,000	Mcf	@	0.9500 + 0.7400 +	0.0000 = 0.0000 =		per Mcf per Mcf	(-)
	ble Service (
First All over	15,000 15,000	Mcf Mcf	@	\$0.8500 + 0.6405 +	\$0.0000 = 0.0000 =	\$0.8500 0.6405	per Mcf per Mcf	(-) (-)

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	MONTH/DATE/YEAR
DATE EFFECTIVE	August 1, 2017
	MONTH/DATE/YEAR
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	SIGNATURE OF OFFICER
TITLE Vice Presid	ent – Rates & Regulatory Affairs
BY AUTHORITY OF	ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO 201	7-00260 DATED N/A

FOR ENTIRE SERVICE AREA

P.S.C. KY NO. 2

EIGHTEENTH REVISED SHEET NO. 6

CANCELLING

ATMOS ENERGY CORPORATION
NAME OF UTILITY

SEVENTEENTH REVISED SHEET NO. 6

Current Transportation Case No. 2017-00349

The Transportation Rates (T-3 and T-4) for each respective service net monthly rate is as follows:

System Lost and Unaccounted gas percentage:

1.28%

Trans	sportation S	envice ¹			Simple Margin	-	Non- Commodity	-	Gross Margin	_	
11000	Firm Service										Ì
	First	300	Mcf	@	\$1.8250	+	\$0.0000	=	\$1.8250	per Mcf	(1)
	Next	14,700	Mcf	@	1.1850	+	0.0000	=	1.1850	per Mcf	(1)
	All over	15,000	Mcf	@	0.9000	+	0.0000	=	0.9000	per Mcf	(1)
	Interruptibl	e Service (<u>Γ-3)</u>								
	First	15,000	Mcf	@	\$1.0450		\$0.0000		\$1.0450	per Mcf	(1)
	All over	15,000	Mcf	@	0.7640	+	0.0000	=	0.7640	per Mcf	(1)

DATE OF 1990E	September 28, 2017
•	MONTH/DATE/YEAR
DATE EFFECTIVE	October 28, 2017
•	MONTH/DATE/YEAR
ISSUED BY	/s/ Mark A. Martin
***************************************	SIGNATURE OF OFFICER
TITLE Vice Preside	ent – Rates & Regulatory Affairs
BY AUTHORITY OF	ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO 2017	7-00349 DATED

¹ Excludes standby sales service.

¹ Excludes standby sales service.

PSC KY. No. 2

First Revised SHEET No. 8

ATMOS ENERGY CORPORATION (NAME OF UTILITY)

Cancelling

Original SHEET No. 8

General Firm Sales Service	
Rate G-1	
Applicable Entire Service Area of The Company.	
• •	
2. Availability of Service	
Available for any use for individually metered service, other than auxiliary or standby service (except for hospitals or other uses of natural gas in facilities requiring emergency power, however, the rated input to such emergency power generators is not to exceed the rated input of all other gas burning equipment otherwise connected multiplied by a factor equal to 0.15) at locations where suitable service is available from the existing distribution system and an adequate supply of gas to reader service is assured by the supplier(s) of natural gas to the Company.	
3. Net Monthly Rate	
a) Base Charge	
\$17.50 per meter for residential service \$44.50 per meter for non-residential service	(I) (I)
b) Distribution Charge	-
	999
c) Weather Normalization Adjustment. d) Gas Cost Adjustment (GCA) Rider, referenced on Sheet No. 15. e) Demand Side Management Cost Recovery Mechanism (DSM), referenced on Sheet No. 36. f) Research & Development Rider (R&D), referenced on Sheet No. 37. g) Pipe Replacement Program (PRP) Rider, referenced on Sheet No. 39.	
¹ All gas consumed by the customer (Sales and Transportation; firm and interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.	
DATE OF ISSUE November, 23, 2015 Month/Date/Year	
DATE EFFECTIVE August 15, 2016 Month/Date/Year	
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TITLE Vice President Rates and Regulatory Affairs	

FOR ENTIRE SERVICE AREA

PSC KY. No. 2

Second Revised SHEET No. 8

Cancelling

First Revised SHEET No. 8

ATMOS ENERGY CORPORATION (NAME OF UTILITY)

Issued by Authority of an Order of the Public Service Commission in Case No. 2017-00349

Vice President - Rates and Regulatory Affairs

ISSUED BY _

/s/ Mark A. Martin Signature of Officer

	General Firm Sales Service
	Rate G-1
1. <u>Applicable</u> Entire Servi	E vice Area of The Company.
2. Availabilit	ty of Service
hospitals or such emerg otherwise of from the ex	for any use for individually metered service, other than auxiliary or standby service (except for rother uses of natural gas in facilities requiring emergency power, however, the rated input to gency power generators is not to exceed the rated input of all other gas burning equipment connected multiplied by a factor equal to 0.15) at locations where suitable service is available kisting distribution system and an adequate supply of gas to reader service is assured by the of natural gas to the Company.
3. Net Month	nly Rate
\$20	se Charge 0.50 per meter for residential service 2.50 per meter for non-residential service
b) Dis Firs Nex Ove	ext ¹ 14,700 Mcf @ 1.1850 per 1,000 cubic feet
d) Gas e) Der f) Res	eather Normalization Adjustment. s Cost Adjustment (GCA) Rider, referenced on Sheet No. 15. smand Side Management Cost Recovery Mechanism (DSM), referenced on Sheet No. 36. search & Development Rider (R&D), referenced on Sheet No. 37. see Replacement Program (PRP) Rider, referenced on Sheet No. 39.
	onsumed by the customer (Sales and Transportation; firm and interruptible) will be considered pose of determining whether the volume requirement of 15,000 Mcf has been achieved.
ATE OF ISSUE	September 28, 2017 Month/Date/Year
ATE EFFECTIVE	October 28, 2017 Month/Date/Year

PSC KY. No. 2

First Revised SHEET No. 11

ATMOS ENERGY CORPORATION	ON Cancelling	
(NAME OF UTILITY)	Original SHEET No. 11	
	Interruptible Sales Service	İ
Control of the second of the s	Rate G-2	
Interruptible service customer's normal o anticipated changes	Demand for High Priority service and the Daily Contract Demand for shall be subject to revision as necessary so as to coincide with the operating conditions and actual load with consideration given to any in customer's utilization, subject to the Company's contractual obligations is or its suppliers, and subject to system capacity and availability of the gas if	
4. Net Monthly Rate	•	
a) Base Charge: Minimum Charge:	\$375.00 per delivery point per month The Base Charge plus any Transportation Fee and EFM facilities charge and any Pipe Replacement Rider.	(I)
b) Distribution Charge		
	nee each day up to, but not exceeding the effective High Priority Daily hall be totaled for the month and billed at the "General Firm Sales Service	
Interruptible Service Gas used per month	<u>e</u> . in excess of the High Priority Service shall be billed as follows:	
First ¹ 15,000 Mcf Over 15,000 Mcf		(I)
d) Research & Develor	nt (GCA) Rider, referenced on Sheet No. 15 pment Rider (R&D), referenced on Sheet No. 37. Program (PRP) Rider, referenced on Sheet No. 39.	
	sustomer (Sales and Transportation; firm and interruptible) will be considered ing whether the volume requirement of 15,000 Mcf has been achieved.	
DATE OF ISSUE No	ovember 23, 2015 Month/Date/Year	
DATE EFFECTIVE	August 15, 2016 Month/Date/Year	

Issued by Authority of an Order of the Public Service Commission in Case No. 2015-00343

> /s/ Mark A. Martin Signature of Officer

Vice President - Rates and Regulatory Affairs

ISSUED BY

ATMOS ENERGY CORPORATION (NAME OF UTILITY)

FOR ENTIRE SERVICE AREA

PSC KY. No. 2

Second Revised SHEET No. 11

Cancelling

First Revised SHEET No. 11

nterru	ptible	Sales	Service	
	Rate	G-2		

d) Revision of Delivery Volumes

The Daily Contract Demand for High Priority service and the Daily Contract Demand for Interruptible service shall be subject to revision as necessary so as to coincide with the customer's normal operating conditions and actual load with consideration given to any anticipated changes in customer's utilization, subject to the Company's contractual obligations with other customers or its suppliers, and subject to system capacity and availability of the gas if an increased volume is involved.

4. Net Monthly Rate

a) Base Charge: Minimum Charge: \$400.00 per delivery point per month

The Base Charge plus any Transportation Fee and EFM facilities charge

and any Pipe Replacement Rider.

b) Distribution Charge

High Priority Service

The volume of gas used each day up to, but not exceeding the effective High Priority Daily Contract Demand shall be totaled for the month and billed at the "General Firm Sales Service Rate G-1".

Interruptible Service

Gas used per month in excess of the High Priority Service shall be billed as follows:

First¹ 15,000 Mcf Over 15,000 Mcf \$1.0450 per 1,000 cubic feet

0.7640 per 1,000 cubic feet

(

- c) Gas Cost Adjustment (GCA) Rider, referenced on Sheet No. 15
- d) Research & Development Rider (R&D), referenced on Sheet No. 37.
- e) Pipe Replacement Program (PRP) Rider, referenced on Sheet No. 39.

DATE OF 1990	Deptember 20, 2017
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_	Signature of Officer
TITLE	Vice President - Rates and Regulatory Affairs

¹ All gas consumed by the customer (Sales and Transportation; firm and interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

FOR ENTIRE SERVICE AREA PSC KY. No. 2

Original SHEET No. 37

ATMOS ENERGY CORPORATION (NAME OF UTILITY)

ATWOS ENER (NAM

Research & Development Rider	 	
R & D Unit Charge		

1. Applicable:

This rider applies to the distribution charge applicable to all gas transported by the Company other than Rate T-3 and T-4 Transportation Service.

2. R&D Unit Charge:

The intent of the Research & Development Unit Charge is to maintain the Company's level of contribution per Mcf as of December 31, 1998.

R&D Unit Charge @ \$0.0035 per 1,000 cubic feet

3. Waiver Provision:

The R&D Unit Charge may be reduced or waived for one or more classifications of service or rate schedules at any time by the Company by filing notice with the Commission. Any such waiver shall not increase the R&D Unit Charge to the remaining classifications of service or rate schedules without Commission approval.

4. Remittance of Funds:

All funds collected under this rider will be remitted to Gas Technology Institute, or similar research or commercialization organization. The amounts so remitted shall be reported to the Commission annually.

5. Reports to the Commission:

A statement setting forth the manner in which the funds remitted have been invested in research and development will be filed with the Commission annually.

6. Termination of this Rider:

Participation in the R&D funding program is voluntary on the part of the Company. This rider may be terminated at any time by the Company by filing a notice of rescission with the Commission.

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ISSUED BY	/s/ Mark A. Martin Signature of Officer
TITLE	Vice President - Rates and Regulatory Affairs

FOR ENTIRE SERVICE AREA

PSC KY. No. 2

First Revised SHEET No. 37

Cancelling

Original SHEET No. 37

ATMOS ENERGY CORPORATION (NAME OF UTILITY)

Research & Development Rider

R & D Unit Charge

1. Applicable:

This rider applies to the distribution charge applicable to all gas transported by the Company other than Rate T-3 and T-4 Transportation Service.

2. R&D Unit Charge:

The intent of the Research & Development Unit Charge is to maintain the Company's level of contribution per Mcf as of December 31, 1998.

R&D Unit Charge @ \$0.0174 per 1,000 cubic feet

(I)

3. Waiver Provision:

The R&D Unit Charge may be reduced or waived for one or more classifications of service or rate schedules at any time by the Company by filing notice with the Commission. Any such waiver shall not increase the R&D Unit Charge to the remaining classifications of service or rate schedules without Commission approval.

4. Remittance of Funds:

All funds collected under this rider will be remitted to Gas Technology Institute, or similar research or commercialization organization. The amounts so remitted shall be reported to the Commission annually.

5. Reports to the Commission:

A statement setting forth the manner in which the funds remitted have been invested in research and development will be filed with the Commission annually.

6. Termination of this Rider:

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-	Signature of Officer
TITLE	Vice President - Rates and Regulatory Affairs

PSC KY. No. 2

Fourth Revised SHEET No. 39

Cancelling

ATMOS ENERGY CORPORATION (NAME OF UTILITY)

Third Revised SHEET No. 39

	Pipeline Replacement Program Rider		
4.	Pipe Replacement Rider	Rates	
	The charges for the respect billing period are:	ive gas service schedules f	or the revenue month beginning October 1, 2016 per
		Monthly	Distribution

	Monthly Customer Charge		Distribution Charge per Mcf		
Rate G-1 (Residential)	\$1.56		\$0.00		(I,-)
Rate G-1 (Non-Residential)	\$5.24		\$0.00		(I,-)
Rate G-2	\$18.35	1-15,000 Over 15,000		per 1000 cubic feet per 1000 cubic feet	(I,I) (I)
Rate T-3	\$23.04	1-15,000 Over 15,000		per 1000 cubic feet per 1000 cubic feet	(I,I) (I)
Rate T-4	\$21.49	1-300 301-15,000 Over 15,000	\$0.0553	per 1000 cubic feet per 1000 cubic feet per 1000 cubic feet	(I,I) (I) (I)

August 1, 2016
Month/Date/Year
/E November 14, 2016
Month/Date/Year
nority of an Order of the Public Service Commission in Case No. 2016-00262
/s/ Mark A. Martin
Signature of Officer
Vice President - Rates and Regulatory Affairs

FOR ENTIRE SERVICE AREA

PSC KY. No. 2

Fifth Revised SHEET No. 39

Cancelling

Fourth Revised SHEET No. 39

ATMOS ENERGY CORPORATION (NAME OF UTILITY)

4. Pipe Replacement Rider Rates The charges for the respective gas service schedules for the revenue month beginning October 1, 2017 per (T) billing period are:

Pipeline Replacement Program Rider

	Monthly Customer Charge		Distribution Charge per Mcf		
Rate G-1 (Residential)	\$0.00		\$0.00		(R,-)
Rate G-1 (Non-Residential)	\$0.00		\$0.00		(R,-)
Rate G-2	\$0.00	1-15,000 Over 15,000		per 1000 cubic feet per 1000 cubic feet	(R,R) (R)
Rate T-3	\$0.00	1-15,000 Over 15,000		per 1000 cubic feet per 1000 cubic feet	(R,R) (R)
Rate T-4	\$0.00	1-300 301-15,000 Over 15,000	\$0.0000	per 1000 cubic feet per 1000 cubic feet per 1000 cubic feet	(R,R) (R) (R)

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PSC KY, No. 2

Original SHEET No. 42

ATMOS ENERGY CORPORATION (NAME OF UTILITY)

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> /s/ Mark A. Martin Signature of Officer

Vice President - Rates and Regulatory Affairs

FOR ENTIRE SERVICE AREA

PSC KY, No. 2

First Revised SHEET No. 42

Cancelling

Original SHEET No. 42

ATMOS ENERGY CORPORATION (NAME OF UTILITY)

ARM

I. **Applicable**

To all gas sold and transported under tariff services, excluding approved special contracts.

Annual Review Mechanism

П.

Pursuant to this Annual Review Mechanism ("ARM") and the annual filings described in section IV.A below, the Company's tariff rates (excluding approved special contract rates) shall be adjusted to provide that the Company earns the Authorized Return on Equity. The rate adjustments implemented under this mechanism will reflect changes in the Company's revenues, cost of service, and rate base. The ARM may be terminated or modified as provided under this ARM.

m. Definitions

- A) Annual Filing Date shall be the date the Company will make its annual ARM filing. The Annual Filing Date shall be no later than December 1 of each year.
- B) Historic Base Period is defined as the twelve month period ending August 31 of each year prior to each Annual Filing Date.
- C) Forward Looking Test Year is defined as the twelve months beginning April 1 of each calendar
- D) Authorized Return on Equity is defined as the return on equity established by the Kentucky Public Service Commission ("Commission") in Case No. 2017-00349, or in any subsequent general rate case, whichever is more recent.
- E) Annual Reconciliation Revenue Requirement is the revenue requirement necessary to adjust the actual return on equity to the Authorized Return on Equity for the Forward Looking Test Year immediately completed, all determined in accordance with the Approved Methodologies.
- F) New Matters refers to any issue, adjustment, and/or ambiguity in or for any account, method of accounting or estimation, or ratemaking topic that would directly or indirectly affect the Annual ARM Filing for which there is no explicit prior determination by the Commission regarding the Company.
- G) Approved Methodologies are defined as the methodologies approved and adopted by the Commission in Case No. 2017-00349 or in any subsequent general rate case, whichever is more recent, or as modified following a determination on a New Matter (defined in part F.).

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ATMOS ENERGY CORPORATION (NAME OF UTILITY)

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ISSUED BY	/s/ Mark A. Martin		
	/s/ Mark A. Martin Signature of Officer	_	
TITLE Vice Pro	esident – Rates and Regulatory Affairs		

FOR ENTIRE SERVICE AREA

PSC KY. No. 2 Original SHEET No. 42.1

ATMOS ENERGY CORPORATION (NAME OF UTILITY)

		Annual Review Mechanism	ī
		ARM	10
		Altil	1`
IV.	ARM Filing		
	supporting wor	al Filing Date each year the Company shall file with the Commission schedules and the papers that reflect the actual annual amounts as reflected on the books and records of the the Historic Base Period as well as the projected amounts expected during the Forward Year.	
	("FRs") as wel FR 16(1)(b)(3)	of the Annual Filing. The ARM filing shall include the following Filing Requirements 1 as all relied-upon documents, spreadsheets, and work papers produced to support them: Proposed Tariffs	
		Proposed Tariff Changes	
		Statement on Customer Notice	
	FR 16(7)(e)	Statement of attestation (satisfied by "Certificate" described in Section II. below)	
	FR 16(7)(u)	Method and amounts allocated during base period and method and estimated amounts to be allocated during forecasted test period; Explain how allocator for both base and forecasted test period was determined: and	
	FR 16(8)(a)	A jurisdictional financial summary for both the base period and the forecasted period that details how the utility derived the amount of the requested revenue increase;	
	FR 16(8)(b)	A jurisdictional rate base summary for both the base period and the forecasted period with supporting schedules, which include detailed analyses of each component of the rate base;	
	FR 16(8)(c)	Jurisdictional operating income summary for both base and forecasted periods with supporting schedules which provide breakdowns by major account group and individual account;	
	FR 16(8)(d)	Summary of jurisdictional adjustments to operating income;	
	FR 16 (8)(e)	Jurisdictional federal and state income tax summaries;	
	FR 16(8)(f)	Summary schedules for the base and forecast periods of various expenses;	
	FR 16(8)(g)	Analysis of payroll costs;	
	FR 16(8)(h)	Computation of gross revenue conversion factor;	
	FR 16(8)(i)	Comparative income statements, revenue and sales statistics, base period, forecast period and two (2) years beyond;	
	FR 16 (8)(j)	Cost of Capital Summary	
	FR 16 (8)(k)	Comparative financial data	
	FR 16(8)(m)	Revenue Summary	
	FR 16(8)(n)	Bill Comparison	
		Notice of Annual Adjustment	
	FR 17(2)(b)3	Manner of Notification	
	FR 17(3)(b)	Publisher Affidavits	
	FR 17(4)(a)-(j)	Notice Requirements	

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TITLEV	ice President Rates and Regulatory Affairs

PSC KY. No. 2 Original SHEET No. 42

ATMOS ENERGY CORPORATION

(NAME OF UTILITY)

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	Case No. 2013-00148	
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TITLE	Vice President - Rates and Regulatory Affairs	•
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FOR ENTIRE SERVICE AREA

PSC KY. No. 2 Original SHEET No. 42.2

ATMOS ENERGY CORPORATION

(NAME OF UTILITY)

	NAME OF CITED 11	-
	Annual Review Mechanism	
	ARM	(M
reve a.	Revenue Requirements. In presenting data that demonstrates the Forward Looking Test Year nue requirements Rate Base and Cash Working Capital requirements will be determined in accordance with the Approved Methodologies. The Company shall calculate Cash Working Capital requirements by multiplying its total O&M by 1/8th.	
	Depreciation expenses shall reflect the depreciation rates approved by the Commission in Case No. 2015-00343. If and when the Company performs a new depreciation study, the new study will be filed with the Commission. Following any appropriate discovery and rebuttal, and conditioned upon approval by the Commission of new rates, the Company shall calculate depreciation expenses using the newly approved rates in its subsequent Annual ARM Filing.	
	Forward Looking Test Year Operating Expenses (O&M, Taxes other than Income Taxes, and Income Taxes) will be projected using the Approved Methodologies.	
d.	The Historic Base Period data shall include actual revenues by billing component, and the Forward Looking Test Year data shall reflect adjustments to forecast revenue billing determinants based on the revenue forecasting methodologies included in the Approved Methodologies for projecting the number of customers and average customer use.	
e.	Cost of Capital will be calculated using the Authorized Return on Equity. The Company's cost of debt and capital structure will be calculated using the Approved Methodologies.	
f.	Schedules filed pursuant to this mechanism shall utilize the Approved Methodologies as well as other adjustments required to account properly for atypical, unusual, or nonrecurring events.	
Atto	New Matters. If New Matters arise, the Company, Commission Staff, intervenors, and the Office of rney General will endeavor to reach a resolved treatment, or if necessary, will seek a ruling from the unission.	
DATE OF ISS	UE September 28, 2017 Month/Date/Year	,
DATE EFFEC	TTIVE October 28, 2017 Month/Date/Year	
issued by A	authority of an Order of the Public Service Commission in Case No. 2017-00349	

/s/ Mark A. Martin Signature of Officer

Vice President - Rates and Regulatory Affairs

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FOR ENTIRE SERVICE AREA PSC KY. No. 2

Original SHEET No. 42

ATMOS ENERGY CORPORATION

(NAME OF UTILITY)

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ISSUED BY	/s/ Mark A. Martin	
	/s/ Mark A. Martin Signature of Officer	-
TITLE	Vice President - Rates and Regulatory Affairs	=

FOR ENTIRE SERVICE AREA PSC KY. No. 2

Original SHEET No. 42.3

ATMOS ENERGY CORPORATION

(NAME OF UTILITY)

Annual Review Mechanism ARM

v. Attestation

> With each Annual ARM Filing, a Company officer shall, as of the date of each Annual ARM Filing, affirmatively represent and warrant, upon information and belief formed after reasonable inquiry, by signing a certificate ("Certificate") under oath: (1) That the Company's Annual ARM Filing has been prepared in accordance with the Approved Methodologies, or that any deviation from or the resolution of any ambiguities in the Approved Methodologies has been affirmatively disclosed and explained in a document attached to such affidavit; (2) That all New Matters have been affirmatively disclosed and explained in a document attached to such affidavit; (3) That the Variance Report includes all matters that are required by the ARM Tariff and any related Commission order to be disclosed in the Variance Report; (4) That no Disallowed Items have been included in the Company's Annual ARM Filing; (5) That productivity and efficiency gains are included in the forecast; (6) That, except as expressly disclosed in a separate schedule dedicated to such disclosure attached to the Certificate, there have been no additions, deletions, or modifications to the accounts or subaccounts used by the Company to account for operating revenues and expenses since the previous year's ARM filing.

April 1 Rate Adjustment

Based upon the Forward Looking Test Year and the Approved Methodologies, the Company's tariff rates shall be adjusted to provide for the Company to earn the Authorized Return on Equity. Anything else to the contrary notwithstanding, in determining the annual rate adjustment specified by this paragraph, calculations shall include the Annual Reconciliation Revenue Requirement adjustment discussed in section VII below. All tariff rates shall be adjusted in proportion to the relative adjusted Historic Base Period revenue share of each class and rate, as specified in the Approved Methodologies. The Company shall file revised tariffs reflecting the new rates. The revised tariffs and new rates shall be effective for bills rendered on or after the April 1 immediately following the Annual Filing Date. Approved special contract rates shall be exempt from this ARM and shall not be adjusted hereunder.

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TITLE	Vice President - Rates and Regulatory Affairs

FOR ENTIRE SERVICE AREA PSC KY. No. 2 Original SHEET No. 42

ATMOS ENERGY CORPORATION (NAME OF UTILITY)

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ISSUED BY	/s/ Mark A. Martin		
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TITLE Vice Pre	esident Rates and Regulatory Affairs	•	

FOR ENTIRE SERVICE AREA PSC KY. No. 2 Original SHEET No. 42.4

ATMOS ENERGY CORPORATION (NAME OF UTILITY)

	Annual Review Mechanism			
	ARM	(M)		
vn.	Annual Reconciliation to Authorized Return on Equity			
VIII.	On or before July 1 of each year, the Company shall file with the Commission, and shall provide a copy to the Office of Attorney General, a reconciliation of actual results ("Annual Reconciliation") to the Authorized Return on Equity for the Forward Looking Test Year immediately completed. The Annual Reconciliation shall include a calculation of actual cost of service, determined in accordance with the Approved Methodologies, for the Forward Looking Test Year immediately completed; using the same revenue requirement model used in each Annual ARM Filing, substituting actual results in place of previously forecasted data for all aspects of cost of service, excluding revenue calculations. Actual cost of service shall be compared with actual revenue, ignoring the revenue impact of any prior year reconciliation, to determine the revenue requirement ("Annual Reconciliation Revenue Requirement") necessary to adjust the actual return on equity to the Authorized Return on Equity for the Forward Looking Test Year immediately completed, all determined in accordance with the Approved Methodologies. Interest will be added to the Annual Revenue Reconciliation Revenue Requirement (whether positive or negative). The interest rate shall be the overall cost of capital as stated on Schedule A.1 of the Annual ARM Filing compounded for 2 years. New rates shall be calculated to produce a net rate adjustment comprised of the Annual Reconciliation Revenue Requirement from the most recently completed Forward Looking Test Year and the revenue sufficiency/deficiency for the ensuing Forward Looking Test Year, all determined in accordance with the methodologies set forth herein and as approved and adopted by the Commission. The resulting rates shall be effective on bills rendered on and after April 1 of each year. All tariff rates (except Special Contract rates, which shall not be affected) shall be adjusted in proportion to the relative base revenue share of each class as described above. The Company will simultaneously copy the Office o			
DATE	OF ISSUE September 28, 2017 Month/Date/Year			
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TITLE	Vice President - Rates and Regulatory Affairs			

FOR ENTIRE SERVICE AREA PSC KY. No. 2

Original SHEET No. 42

ATMOS ENERGY CORPORATION (NAME OF UTILITY)

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	TITLE Vice Pre	eident _ Dates and Deculatory Affairs	÷

FOR ENTIRE SERVICE AREA

PSC KY. No. 2 Original SHEET No. 42.5

ATMOS ENERGY CORPORATION

	Annual Review Mechanism	
	ARM	10
IX.	Variance Reporting	
	As part of its Annual ARM Filing, Atmos Energy shall prepare and file with the Commission, with a copy to the Office of Attorney General, a Variance Report ("Variance Report") that identifies and explains each and every Atmos Energy operating revenue and expense account and/or subaccount for which the Kentucky amount (including amounts allocated to Kentucky) either: exceeds the prior year's amount (based on amounts as filed by Atmos Energy in the Annual ARM Filing) by 5% and \$30,000; o exceeds the amount (based on amounts as filed by Atmos Energy in the Annual ARM Filing) in such account and/or subaccount in the third preceding year by 10% and \$60,000; or has been, when compare with the accounts and/or subaccount existing on the Effective Date of the ARM Tariff and/or used in the calculations referenced herein, added or deleted or modified in form or substance in any way. As to any account and/or subaccount (and including without limitation any process related directly or indirectly to any such account or subaccount) included on a Variance Report, subject to the Commission's rule of discovery, the Commission, intervenors and/or Office of Attorney General shall have the right in its discretion to request additional information and an explanation from Atmos Energy. Atmos Energy agrees to provide any such information or explanation requested within ten business days of such request. The Office of Attorney General, further, has the right in its discretion to bring such account and/or subaccount (or related process) to the attention of the Commission and to request the Commission to review and consider such account and/or subaccount (or related process).	1

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PSC KY. No. 2

First Revised SHEET No. 45

ATMOS ENERGY CORPORATION
(NAME OF UTILITY)

Cancelling
Original SHEET No. 45

Interruptible Transportation Service							
***	Rate T-3						
1.	. Applicable						
	Ent req	tire service area of uirements not inclu	f the Company to ded under one of the	any customer fone Company's sa	or that port	ion of the customer's interruptib	le
2.	Av	ailability of Servic	<u>:e</u>				
	a)	service at the same interruptible transp	e premise, who has	purchased its ow the Company to	n supply of	000 Mcf per year, on an individual natural gas and require facilities subject to suitable servic	
	b)	receiving service to Company's sole ju	under this tariff to e adgment, the perfor	elect any other se mance of such se	rvice provid rvice would	this tariff or to allow a customer ed by the Company, if in the I be contrary to good operating prviced by the Company.	-
3.	Ne	t Monthly Rate					
	In a	addition to any and	all charges assesse	d by other parties	s, there will	be applied:	
		Base Charge Transportation Ad	ministration	Fee-	\$375.00 50.00	per delivery point per customer per month	(I)
	c)	Distribution Charg	ge for Interruptible	Service			İ
		First ¹ 15,000 Over 15,000	Mcf Mcf	@ @	\$0.8500 0.6405	per Mcf per Mcf	(I)
	 d) Applicable Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing. e) Electronic Flow Measurement ("EFM") facilities charge, if applicable. f) Pipe Replacement Program (PRP) Rider. 						
	¹ Al	I gas consumed by the purpose of dete	the customer (Sal	es and transporta	tion; firm a	nd interruptible) will be considere 000 Mcf has been achieved.	:d
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FOR ENTIRE SERVICE AREA

PSC KY. No. 2

Second Revised SHEET No. 45

Cancelling

First Revised SHEET No. 45

ATMOS ENERGY CORPORATION

(NAME OF UTILITY)

Interruptible Transportation Service Rate T-3

1. Applicable

Entire service area of the Company to any customer for that portion of the customer's interruptible requirements not included under one of the Company's sales tariffs.

2. Availability of Service

- a) Available to any customer with an expected demand of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require interruptible transportation service by the Company to customer's facilities subject to suitable service being available from existing facilities.
- b) The Company may decline to initiate service to a customer under this tariff or to allow a customer receiving service under this tariff to elect any other service provided by the Company, if in the Company's sole judgment, the performance of such service would be contrary to good operating practice or would have a detrimental impact on other customers serviced by the Company.

3. Net Monthly Rate

DATE OF ISSUE

In addition to any	and all charges	assessed by other	narties th	nere will he an	nlied:

a)	Base Charge	-	\$400.00	per delivery point
b)	Transportation Administration	Fee-	50.00	per customer per month
		*		

\$1.0450 per Mcf

c) <u>Distribution Charge for Interruptible Service</u>

Over	15,000	Mcf	@	0.7640	per Mcf
4 1*	11 37 0	*** 0	. (01 .37 0		

- d) Applicable Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.
- e) Electronic Flow Measurement ("EFM") facilities charge, if applicable.

September 28, 2017

f) Pipe Replacement Program (PRP) Rider.

15,000 Mcf

¹All gas consumed by the customer (Sales and transportation; firm and interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

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DATE EFFEC	TIVE October 28, 2017			
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TITLE	Vice President - Rates and Regulatory Affairs			

FOR ENTIRE SERVICE AREA PSC KY. No. 2 Original SHEET No. 51

ATMOS ENERGY CORPORATION (NAME OF UTILITY)

Interruptible Transportation Service	
Rate T-3	

11. Alternative Fuel Responsive Provision

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the applicable Distribution Charge on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by the customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.

Pursuant to this Section, the Company may flex the otherwise applicable transportation rate to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

E May 13, 2013
Month/Date/Year
VE January 24, 2014
Month/Date/Year
thority of an Order of the Public Service Commission in
Case No. 2013-00148
/s/ Mark A. Martin
Signature of Officer
Vice President - Rates and Regulatory Affairs

FOR ENTIRE SERVICE AREA

PSC KY. No. 2

First Revised SHEET No. 51

Cancelling
Original SHEET No. 51

ATMOS ENERGY CORPORATION (NAME OF UTILITY)

Interru	ptible	Trans	por	tation	Serv	rice
		Rate ?	r_3			

5. Alternative Fuel Responsive Flex Provision

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the applicable Distribution Charge on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by the customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.

Pursuant to this Section, the Company may flex the otherwise applicable transportation rate to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

DATE OF ISSU	E September 28, 2017
	Month/Date/Year .
DATE EFFECT	TVE October 28, 2017
	Month/Date/Year
Issued by A	uthority of an Order of the Public Service Commission in Case No. 2017-00349
ISSUED BY	/s/ Mark A. Martin
	Signature of Officer
TITLE	Vice President - Rates and Regulatory Affairs

(T)

PSC KY. No. 2

First Revised SHEET No. 52

Cancelling

ATMOS ENERGY CORPORATION

(NAME OF UTILITY) Original SHEET No. 52 Firm Transportation Service Rate T-4 1. Applicable Entire Service Area of the Company to any customer for that portion of the customer's firm requirements not included under one of the Company's sales tariffs. 2. Availability of Service a) Available to any customer with an expected demand of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require firm transportation service by the Company to customer's facilities subject to suitable service being available from existing facilities. b) The Company may decline to initiate service to a customer under this tariff or to allow a customer receiving service under this tariff to elect any other service provided by the Company, if in the Company's sole judgment, the performance of such service would be contrary to good operating practice or would have a detrimental impact on other customers serviced by the Company. 3. Net Monthly Rate In addition to any and all charges assessed by other parties, there will be applied: a) Base Charge \$375.00 per delivery point b) Transportation Administration Fee 50.00 per customer per month c) Distribution Charge for Firm Service First¹ 300 Mcf \$1.5340 per Mcf Next1 14,700 Mcf @ 0.9500 per Mcf 15,000 Mcf Over 0.7400 per Mcf d) Applicable Non-Commodity Components as calculated in the Company's Gas Cost Adjustment e) Electronic Flow Measurement ("EFM") facilities charges, if applicable. f) Pipe Replacement Program (PRP) Ride. ¹ All gas consumed by the customer (sales and transportation; firm and interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved. DATE OF ISSUE November 23, 2015 Month/Date/Year DATE EFFECTIVE August 15, 2016 Month/Date/Year Issued by Authority of an Order of the Public Service Commission in Case No. 2015-00343

ISSUED BY

/s/ Mark A. Martin Signature of Officer

Vice President - Rates and Regulatory Affairs

FOR ENTIRE SERVICE AREA

PSC KY. No. 2

Second Revised SHEET No. 52

Cancelling

First SHEET No. 52

ATMOS ENERGY CORPORATION (NAME OF UTILITY)

		Firm Transportation Service
1.	Δn	Rate T-4
٠.		, "
		tire Service Area of the Company to any customer for that portion of the customer's firm requirements tincluded under one of the Company's sales tariffs.
2.	Av	vailability of Service
	a)	Available to any customer with an expected demand of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require firm transportation service by the Company to customer's facilities subject to suitable service being available from existing facilities.
	b)	The Company may decline to initiate service to a customer under this tariff or to allow a customer receiving service under this tariff to elect any other service provided by the Company, if in the Company's sole judgment, the performance of such service would be contrary to good operating practice or would have a detrimental impact on other customers serviced by the Company.
3.	Ne	et Monthly Rate
	In:	addition to any and all charges assessed by other parties, there will be applied:
		Base Charge - \$400.00 per delivery point Transportation Administration Fee - 50.00 per customer per month
	c)	Distribution Charge for Firm Service
		First ¹ 300 Mcf @ \$1.8250 per Mcf Next ¹ 14,700 Mcf @ 1.1850 per Mcf Over 15,000 Mcf @ 0.9000 per Mcf
	Ţ,	Applicable Non-Commodity Components as calculated in the Company's Gas Cost Adjustment (GCA) filing. Electronic Flow Measurement ("EFM") facilities charges, if applicable.
	f)	Pipe Replacement Program (PRP) Rider.
		¹ All gas consumed by the customer (sales and transportation; firm and interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.
DATE	OF I	SSUE September 28, 2017 Month/Date/Year
DATE	EFFI	ECTIVE October 28, 2017 Month/Date/Year
lss	ued b	by Authority of an Order of the Public Service Commission in Case No. 2017-00349
oot to	n n:	ADValle A Martin

Vice President - Rates and Regulatory Affairs

FOR ENTIRE SERVICE AREA PSC KY, No. 2

Original SHEET No. 65

ATMOS ENERGY CORPORATION (NAME OF UTILITY)

TITLE

Vice President - Rates and Regulatory Affairs

	Rules and Regula	ations			1
4. <u>Billings</u> a) The following is an example of	the monthly bills s	ent to the Compa	ny's residentia	al customers:	(T
Emorgeney Yotophone Construct Nervice Harvice Area-927-9-927 Area-9-927 Area-	ipm (Cantral)	Customer Numberi Customer Namei Bervice Addressi Billing Dates PAST OUR AFTER	05/05/15 03/15/14		
Tentre des 1979 de 1970 de 197	Military Pergina (172 July 1907) 112 July 1907 1907	BYLLING INFORM PRIVIOUS BALANG	72012 4	349-47 88-89- 39-84 15-00 12-00 13-00 0075 0075 0075	
DE BILL IS NOT PATO BY OUR DATE A PERALTY (IF APPONYOUR NEXT DILL) CHARLES NOT PATO BY OUR DATE A PERALTY (IF APPONY OF THE PATON OF T	biff is due upon receipt, will appear on your nex	ATOM ANGUNT DUS FOUND IS IN FOR paid by FOUND IN IN FOR PAID ATTHOUGH ENGINEE ATTHOUGH ENGINE FOUND FOUND IN INTERPRETATION FOUND FOUND IN INTERPRETATION FOUND FOUND IN INTERPRETATION FOUND FOUND IN INTERPRETATION FOUND FOUND IN INTERPRETATION FOUND FOUND IN INTERPRETATION FOUND IN IN	78-0311 rilang llandless [ll on with your gayment. or money grader, if pay	ill Lociulo your austomar Ing in µarant, planca	
Class of Service Present and last Preceding Meter Reading Date of Present Reading Number of Units Consumed	6. Net A 7. Gross 8. Date Note: Large Volum	mount for Service 1 Amount of Bill – 1 After Which Additi	Rendered Not Applicable onal Charges M Industrial Billi	ing Will Display the	(T)
DATE OF ISSUE May 13, Mont	2013 h/Date/Year				•
DATE EFFECTIVE January 2 Month	24, 2014 h/Date/Year				
Issued by Authority of an Order of the Public Se Case No. 2013-00148	ervice Commission in				
ISSUED BY /s/ Mark A. M. Signate	artin are of Officer	di Constantino			

FOR ENTIRE SERVICE AREA

PSC KY. No. 2

First Revised SHEET No. 65

Cancelling

Original SHEET No. 65

(T)

ATMOS ENERGY CORPORATION (NAME OF UTILITY)

Rules and Regulations 4. Billings a) The following is an example of the monthly bills sent to the Company's residential customers: ATMOS RECORD DESIGNATION OF THE PROPERTY. WE'RE HERE TO REMIND YOU 1. Class of Service 5. Meter Constant if Any-Not Applicable to Residential Service 2. Present and last Preceding Meter Reading 6. Net Amount for Service Rendered 3. Date of Present Reading 7. Gross Amount of Bill - Not Applicable to Residential Service 4. Number of Units Consumed 8. Date After Which Additional Charges May Apply Note: Large Volume Commercial and Industrial Billing Will Display the Above Information but May be Presented in Different Format. DATE OF ISSUE September 28, 2017 Month/Date/Year DATE EFFECTIVE October 28, 2017 Month/Date/Year Issued by Authority of an Order of the Public Service Commission in Case No. 2017-00349

/s/ Mark A. Martin

Vice President - Rates and Regulatory Affairs

ISSUED BY

Atmos Energy Corp.; Kentucky/Mid-States Division Kentucky Jurisdiction Case No. 2017-00349 Forecasted Test Period Filing Requirement

STATEMENT OF ATTESTATION OF THE OFFICER IN CHARGE OF KENTUCKY OPERATIONS

- 1. The forecast presented in this rate application is reasonable, reliable, and made in good faith, and all basic assumptions used in the forecasted have been identified and justified; and
- 2. The forecast contains the same assumptions and methodologies as used in the forecast prepared for use by management, and any differences that exist have been identified and explained; and
- 3. All productivity and efficiency gains have been included in the forecast.

COMMONWEALTH OF KENTUCKY)
COUNTY OF DAVIESS)
SUBSCRIBED AND SWORN TO before me b	by Mark A. Martin, on this 3rd day of October, 2017

3/22/18

MY Commission expires:

NOTICE OF PROPOSED CHANGES IN GAS TARIFFS WHICH WILL RESULT IN INCREASED CHARGES

Notice is hereby given that Amos Energy Corporation ("Atmos Energy"), a public utility furnishing natural gas service within the Commonwealth of Kentucky, on or about the 28th day of September, 2017 pursuant to Kentucky Revised Statute 278.180 and the Rules of the Public Service Commission of Kentucky respecting tariffs filed its notice with the Kentucky Public Service Commission ("KPSC"), proposing to change its gas rates effective October 28, 2017.

The present (including PRP charges) and proposed rates charged in all territory served by Atmos Energy are as follows:

					Rate C	Change		
Rate Classifications	Present Rates		Propos	ed Rates	\$/% Increase / (Decrease)			
	Char	Charge Unit		Charge Unit Charge		Unit	Change	Change
Rate G-1, General Sales Service								
Residential Service								
Monthly Base Charge:	\$19.06	Per meter	\$20.50	Per meter	\$1.44	7.6%		
Commodity Charge								
First 300 Mcf or less per month	\$6.5904	Per Mcf ¹	\$6.8814	Per Mcf ¹	\$0.2910	4.4%		
Next 14,700 Mcf per month	\$6.0064	Per Mcf	\$6.2414	Per Mcf	\$0.2350	3.9%		
Over 15,000 Mcf per month*	\$5.7964	Per Mcf	\$5.9564	Per Mcf	\$0.1600	2.8%		
Minimum Charge: The Base Charge								
Non-Residential Service								

Monthly Base Charge:	\$49.74	Per meter	\$52.50	Per meter	\$2.76	5.5%
Commodity Charge						
First 300 Mcf or less per month	\$6.5904	Per Mcf	\$6.8814	Per Mcf	\$0.2910	4.4%
Next 14,700 Mcf per month	\$6.0064	Per Mcf	\$6.2414	Per Mcf	\$0.2350	3.9%
Over 15,000 Mcf per month*	\$5.7964	Per Mcf	\$5.9564	Per Mcf	\$0.1600	2.8%
Minimum Charge: The Base Charge						
Rate G-2, Interruptible Sales Service						
Monthly Base Charge:	\$393.35	Per delivery point	\$400.00	Per delivery point	\$6.65	1.7%
Commodity Charge						
First 15,000 Mcf or less per month	\$4.7497	Per Mcf	\$4.8857	Per Mcf	\$0.1360	2.9%
Over 15,000 Mcf per month	\$4.5256	Per Mcf	\$4.6047	Per Mcf	\$0.0791	1.7%
Minimum Charge: The Base Charge plus any Transportation Fee and EFM facilities charge						
Rate T-3, Interruptible Transportation Service						
Transportation only service						
Monthly Base Charge:						

						1
Meter Charge	\$398.04	Per meter	\$400.00	Per meter	\$1.96	0.5%
Administrative Charge	\$50.00		\$50.00		\$0.00	0.0%
Commodity Charge						
First 15,000 Mcf or less per month	\$0.9031	Per Mcf	\$1.0450	Per Mcf	\$0.1419	15.7%
Over 15,000 Mcf per month	\$0.6805	Per Mcf	\$0.7640	Per Mcf	\$0.0835	12.3%
Rate T-4, Firm Transportation Service Transportation only service						
Monthly Base Charge:						
Meter Charge	\$396.49	Per meter	\$400.00	Per meter	\$3.51	0.9%
Administrative Charge	\$50.00		\$50.00		\$0.00	0.0%
Commodity Charge						
First 300 Mcf or less per month	\$1.6233	Per Mcf	\$1.8250	Per Mcf	\$0.2017	12.4%
Next 14,700 Mcf per month	\$1.0053	Per Mcf	\$1.1850	Per Mcf	\$0.1797	17.9%
Over 15,000 Mcf per month*	\$0.7831	Per Mcf	\$0.9000	Per Mcf	\$0.1169	14.9%
¹ Mcf = 1,000 cubic feet						

Atmos Energy also is proposing several tariff modifications:

1) Update the Company's Research & Development Rider (R&D) unit charge that applies to the distribution charge applicable to all gas transported by the Company other than the T-3 and T-4 Transportation Service.

Present Rate: Proposed Rate: Change (\$) Percent Change:

\$0.0035 Per Mcf \$0.0174 Per Mcf \$0.0139 397.1%

Increase in Average Residential Bill per month (\$): \$0.07

Increase in Average Residential Bill per month (%): 0.13%

Increase in Average Commercial/Pub Auth Bill per month (\$): \$0.36

Increase in Average Commercial/Pub Auth Bill per month (%): 0.17%

R&D increase in annual contribution of approximately \$222,000 assuming 16 Bcf of annual sales.

2) Proposed the Company's Annual Review Mechanism (ARM) to allow an annual review and adjustment of rates as explained in detail in the proposed tariffs filed with the application.

All other charges not specifically mentioned herein shall remain the same as those presently in effect. The proposed rates will result in an overall approximate increase in the amount of \$10,416,024 or 6.1% with increases of approximately \$5,634,048 or 5.7% for residential consumers, and \$2,292,550 or 4.8% for commercial and public authority consumers, and approximately \$2,418,894 or 10.6% for industrial and transportation consumers. Charges from other gas revenue will increase \$70,532 or 3.4%. The average monthly bill for residential consumers will increase approximately \$2.99 or 5.7%. The average monthly bill for commercial and public authority consumers will increase approximately \$10.07 or 4.8%. The average monthly bill for industrial and transportation customers will increase approximately \$478.65 or 10.6%.

*Base tariff rates only

Buse turin ruces only					
Customer Class	Average	Average	Average	Increase in	Increase in
	Monthly	Monthly Bill	Monthly	Average	Average
	Usage	(Present	Bill	Monthly	Monthly
	(Mcf)	Rates)	(Proposed	Bill (\$)	Bill (%)
		ŕ	Rates)	` ^	
Residential	5.3	\$52.15	\$55.14	\$2.99	5.7%
Commercial/Pub Auth	25.73	\$208.63	\$218.70	\$10.07	4.8%
Industrial/transportation	5,999	\$4,504.29	\$4,982.94	\$478.65	10.6%

*Base tariff rates plus R&D charges

Customer Class	Average Monthly Usage (Mcf)	Average Monthly Bill (Present Rates)	Average Monthly Bill (Proposed	Increase in Average Monthly Bill (\$)	Increase in Average Monthly Bill (%)
			Rates)		
Residential	5.3	\$52.17	\$55.23	\$3.06	5.9%
Commercial/Pub Auth	25.73	\$208.72	\$219.15	\$10.43	5.0%
Industrial/transportation	5,999	\$4,505.27	\$4,987.78	\$482.52	10.7%

The impact on each customer's average bill will vary according to individual consumption or transportation levels. However, this impact can be determined by each customer by applying the proposed rates listed above to their respective average consumption or transportation levels.

The rates contained in this notice are the rates proposed by Atmos Energy Corporation, however, the KPSC may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for customers higher or lower than the rates included in this notice.

Atmos Energy's application for rate adjustment is available for examination at its offices listed below. Any person may obtain a copy of the application, testimony or other documents or examine the rate application and any related filings at the offices of Atmos Energy listed below or at its website www.atmosenergy.com or the Commission office or its website listed below.

A person may also examine the application at the Public Service Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's Web site at http://psc.ky.gov. Comments regarding the application may be submitted to the Public Service Commission through its Web site or by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602.

A person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Public Service Commission does not receive a written request for intervention within thirty (30) days of initial publication of this Notice, it may take final action on Atmos Energy's application.

Atmos Energy Corporation
Attention: Mr. Mark A. Martin
3275 Highland Pointe Drive
Owensboro, KY 42303
(270) 685-8000
mark.martin@atmosenergy.com
www.atmosenergy.com

Atmos Energy Corporation has the following local offices:

Atmos Energy Atmos Energy

3275 Highland Pointe Drive 108 Carroll Knicely Drive Owensboro, KY 42303 Glasgow, KY 42141

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Madisonville, KY 42431
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1833 E 9th Street
Hopkinsville, KY 42240
Atmos Energy
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Princeton, KY 42445

Atmos Energy 449 Whirlaway Drive Danville, KY 40422

Atmos Energy 2850 Russellville Road Bowling Green, KY 42101 Atmos Energy 3510 Coleman Road Paducah, KY 42001

Atmos Energy 336 Commonwealth Drive Campbellsville, KY 42718

Atmos Energy 900 Commonwealth Drive Mayfield, KY 42066

Public Service Commission of Kentucky 211 Sower Blvd. P.O. Box 615 Frankfort, KY 40602 (502) 564-3940 www.psc.ky.gov