

Kentucky Public Service Commission  
Attn: Joyce Spear  
P.O. Box 615  
Frankfort, Kentucky 40602

RE: Atmos Energy Kentucky Division - Monthly Operating Report

Enclosed are the following schedules for Atmos Energy Kentucky Division  
for the month ended October 31, 2004:

Balance Sheet  
Statement of Income

Additional financial data:

Dallas General Office Capital Allocation	(\$2,035,199)
Weighted Average Cost of Debt	5.05%
Percentage of Debt to Total Capitalization	60%

If you have any questions regarding these schedules, please call me at (972) 855-3214.

Regards,

Chris Forsythe  
Director, Financial Reporting

Encl.

**ATMOS ENERGY KENTUCKY DIVISION  
BALANCE SHEET**

Description (a)	October 31, 2004 (b)	September 30, 2004 (c)
<b>ASSETS</b>		
Property, plant and equipment		
Utility plant	\$277,583,300	\$284,012,277
Non-utility plant	11,806	22,193
Construction work in progress	<u>2,956,670</u>	<u>3,894,845</u>
	280,551,776	287,929,315
Less accumulated depreciation and amortization	<u>120,077,778</u>	<u>123,340,869</u>
Net property, plant and equipment	160,473,998	164,588,446
Current assets		
Cash and temporary cash investments	(54,807)	18,514,209
Accounts receivable, less allowance for doubtful accounts	11,530,804	12,227,211
Inventories	32,739	29,003
Gas stored underground	36,596,973	28,236,120
Other current assets	<u>2,849,008</u>	<u>1,667,657</u>
Total current assets	50,954,717	60,674,200
Deferred charges and other assets	<u>11,888,432</u>	<u>19,998,517</u>
Total assets	<u>\$223,317,147</u>	<u>\$245,261,163</u>
<b>LIABILITIES AND KENTUCKY DIVISION CAPITAL ACCOUNT</b>		
Kentucky Division capital account - net	\$165,780,930	\$180,231,695
Current liabilities		
Accounts payable	9,738,437	9,856,409
Accrued taxes	(1,621,252)	(263,795)
Customer Deposits	3,581,063	3,408,514
Other current liabilities	<u>5,301,153</u>	<u>7,178,206</u>
Total current liabilities	16,999,401	20,179,334
Deferred income taxes	30,708,364	32,612,837
Deferred credits	<u>9,828,452</u>	<u>12,237,297</u>
Total liabilities and Kentucky Division capital account	<u>\$223,317,147</u>	<u>\$245,261,163</u>


NOTE: Kentucky Division is an operating division of Atmos Energy Corporation (Atmos) and therefore does not maintain a separate capital structure. Cash is transferred to the general office daily and returned as needed. Debt and interest payable are carried on the corporate books of Atmos. A portion of accrued income taxes and deferred income taxes are reflected on Kentucky Division's books. Since Kentucky Division is operated as a division, it has no retained earnings. However, beginning in February 2000, corporate balance sheet amounts are being allocated to Kentucky Division and the other divisions of Atmos Energy Corporation. Intercompany payables and receivables, as well as an allocated portion of corporate shareholders' equity, long-term debt, and short-term debt, are included in the Kentucky Division Capital Account.

ATMOS ENERGY KENTUCKY DIVISION  
STATEMENTS OF INCOME  
FOR THE MONTH, ONE MONTH AND TWELVE MONTHS ENDED OCTOBER 31, 2004

Line No.	Description (a)	Current Month		Year to Date		Twelve Months Ended
		Actual (b)	Prior Year Actual (c)	Actual (d)	Prior Year Actual (e)	
1	Operating revenues					
2	Gas	\$8,441,057	\$9,221,181	\$8,441,057	\$9,221,181	\$182,546,329
3	Transportation	724,939	716,618	724,939	716,618	9,051,757
4	Other	164,733	175,919	164,733	175,919	2,735,088
	Total operating revenues	<u>9,330,729</u>	<u>10,113,718</u>	<u>9,330,729</u>	<u>10,113,718</u>	<u>194,333,174</u>
5	Purchased gas	<u>5,675,915</u>	<u>6,654,286</u>	<u>5,675,915</u>	<u>6,654,286</u>	<u>141,570,882</u>
6	Gross Profit	<u>3,654,814</u>	<u>3,459,432</u>	<u>3,654,814</u>	<u>3,459,432</u>	<u>52,762,292</u>
	Operating expenses					
7	Operation & maintenance (2)	1,565,116	1,553,873	1,565,116	1,553,873	17,884,964
8	Depreciation	849,964	769,900	849,964	769,900	9,492,680
9	Taxes - other than income taxes	239,615	204,257	239,615	204,257	2,578,158
10	Income Taxes (1)	266,031	191,254	266,031	191,254	7,163,927
11	Total operating expenses	<u>2,920,726</u>	<u>2,719,284</u>	<u>2,920,726</u>	<u>2,719,284</u>	<u>37,119,729</u>
12	Operating income (loss)	<u>734,088</u>	<u>740,148</u>	<u>734,088</u>	<u>740,148</u>	<u>15,642,563</u>
	Other income					
13	Merchandise	15,398	67,030	15,398	67,030	91,472
14	Interest income (2)	17,923	14,263	17,923	14,263	357,320
15	Other nonoperating income (2)	68,036	(62,673)	68,036	(62,673)	673,919
16	Total other income (loss)	<u>101,357</u>	<u>18,620</u>	<u>101,357</u>	<u>18,620</u>	<u>1,122,711</u>
17	Income (loss) before interest charges	<u>835,445</u>	<u>758,768</u>	<u>835,445</u>	<u>758,768</u>	<u>16,765,274</u>
18	Interest charges (2)	<u>415,830</u>	<u>450,665</u>	<u>415,830</u>	<u>450,665</u>	<u>5,289,258</u>
19	Net income (loss) (1)	<u>\$419,615</u>	<u>\$308,103</u>	<u>\$419,615</u>	<u>\$308,103</u>	<u>\$11,476,016</u>

Notes:

- (1) Atmos Energy Kentucky Division is an operating division of Atmos Energy Corporation and federal income taxes are allocated from the general office and booked each month to Kentucky Division.
- (2) Includes certain amounts that are allocated from the general office and booked each month to Kentucky Division.



Kentucky Public Service Commission  
Attn: Joyce Spear  
P.O. Box 615  
Frankfort, Kentucky 40602

RE: Atmos Energy Kentucky Division - Monthly Operating Report

Enclosed are the following schedules for Atmos Energy Kentucky Division  
for the month ended November 30, 2004:

Balance Sheet  
Statement of Income

Additional financial data:

Dallas General Office Capital Allocation	(\$2,038,106)
Weighted Average Cost of Debt	5.62%
Percentage of Debt to Total Capitalization	60%

If you have any questions regarding these schedules, please call me at (972) 855-3214.

Regards,

Chris Forsythe  
Director, Financial Reporting

Encl.

**ATMOS ENERGY KENTUCKY DIVISION  
BALANCE SHEET**

Description (a)	November 30, 2004 (b)	September 30, 2004 (c)
<b>ASSETS</b>		
Property, plant and equipment		
Utility plant	\$278,586,150	\$284,012,277
Non-utility plant	11,806	22,193
Construction work in progress	<u>3,629,628</u>	<u>3,894,845</u>
	282,227,584	287,929,315
Less accumulated depreciation and amortization	<u>120,823,849</u>	<u>123,340,869</u>
Net property, plant and equipment	161,403,735	164,588,446
Current assets		
Cash and temporary cash investments	5,750	18,514,209
Accounts receivable, less allowance for doubtful accounts	22,677,313	12,227,211
Inventories	23,128	29,003
Gas stored underground	43,075,251	28,236,120
Other current assets	<u>1,144,763</u>	<u>1,667,657</u>
Total current assets	66,926,205	60,674,200
Deferred charges and other assets	<u>11,955,542</u>	<u>19,998,517</u>
Total assets	<u>\$240,285,482</u>	<u>\$245,261,163</u>
<b>LIABILITIES AND KENTUCKY DIVISION CAPITAL ACCOUNT</b>		
Kentucky Division capital account - net	\$172,765,551	\$180,231,695
Current liabilities		
Accounts payable	16,402,204	9,856,409
Accrued taxes	(910,556)	(263,795)
Customer Deposits	3,845,286	3,408,514
Other current liabilities	<u>7,555,374</u>	<u>7,178,206</u>
Total current liabilities	26,892,308	20,179,334
Deferred income taxes	30,727,892	32,612,837
Deferred credits	<u>9,899,731</u>	<u>12,237,297</u>
Total liabilities and Kentucky Division capital account	<u>\$240,285,482</u>	<u>\$245,261,163</u>


NOTE: Kentucky Division is an operating division of Atmos Energy Corporation (Atmos) and therefore does not maintain a separate capital structure. Cash is transferred to the general office daily and returned as needed. Debt and interest payable are carried on the corporate books of Atmos. A portion of accrued income taxes and deferred income taxes are reflected on Kentucky Division's books. Since Kentucky Division is operated as a division, it has no retained earnings. However, beginning in February 2000, corporate balance sheet amounts are being allocated to Kentucky Division and the other divisions of Atmos Energy Corporation. Intercompany payables and receivables, as well as an allocated portion of corporate shareholders' equity, long-term debt, and short-term debt, are included in the Kentucky Division Capital Account.

ATMOS ENERGY KENTUCKY DIVISION  
STATEMENTS OF INCOME  
FOR THE MONTH, TWO MONTHS AND TWELVE MONTHS ENDED NOVEMBER 30, 2004

Line No.	Description (a)	Current Month		Year to Date		Twelve Months Ended
		Actual (b)	Prior Year Actual (c)	Actual (d)	Prior Year Actual (e)	
1	Operating revenues					
2	Gas	\$15,271,727	\$14,472,142	\$23,712,784	\$23,693,322	\$183,345,915
3	Transportation	777,263	729,130	1,502,201	1,445,748	9,099,889
4	Other	187,096	184,258	351,829	360,177	2,737,926
	Total operating revenues	<u>16,236,086</u>	<u>15,385,530</u>	<u>25,566,814</u>	<u>25,499,247</u>	<u>195,183,730</u>
5	Purchased gas	11,921,861	10,997,938	17,597,776	17,652,224	142,494,805
6	Gross Profit	<u>4,314,225</u>	<u>4,387,592</u>	<u>7,969,038</u>	<u>7,847,023</u>	<u>52,688,925</u>
	Operating expenses					
7	Operation & maintenance (2)	1,771,089	1,577,205	3,336,206	3,131,078	18,078,849
8	Depreciation	822,386	771,578	1,672,349	1,541,478	9,543,487
9	Taxes - other than income taxes	272,506	222,913	512,121	427,171	2,627,750
10	Income Taxes (1)	376,825	545,948	642,856	737,202	6,994,804
11	Total operating expenses	<u>3,242,806</u>	<u>3,117,644</u>	<u>6,163,532</u>	<u>5,836,929</u>	<u>37,244,890</u>
12	Operating income (loss)	<u>1,071,419</u>	<u>1,269,948</u>	<u>1,805,506</u>	<u>2,010,094</u>	<u>15,444,035</u>
	Other income					
13	Merchandise	6,042	(7,805)	21,441	59,226	105,319
14	Interest income (2)	15,579	15,527	33,502	29,791	357,371
15	Other nonoperating income (2)	(28,774)	47,621	39,261	(15,052)	597,523
16	Total other income (loss)	<u>(7,153)</u>	<u>55,343</u>	<u>94,204</u>	<u>73,965</u>	<u>1,060,213</u>
17	Income (loss) before interest charges	<u>1,064,266</u>	<u>1,325,291</u>	<u>1,899,710</u>	<u>2,084,059</u>	<u>16,504,248</u>
18	Interest charges (2)	<u>469,891</u>	<u>445,788</u>	<u>885,720</u>	<u>896,453</u>	<u>5,313,360</u>
19	Net income (loss) (1)	<u>\$594,375</u>	<u>\$879,503</u>	<u>\$1,013,990</u>	<u>\$1,187,606</u>	<u>\$11,190,888</u>

Notes:

- (1) Atmos Energy Kentucky Division is an operating division of Atmos Energy Corporation and federal income taxes are allocated from the general office and booked each month to Kentucky Division.
- (2) Includes certain amounts that are allocated from the general office and booked each month to Kentucky Division.



Kentucky Public Service Commission  
Attn: Joyce Spear  
P.O. Box 615  
Frankfort, Kentucky 40602

RE: Atmos Energy Kentucky Division - Monthly Operating Report

Enclosed are the following schedules for Atmos Energy Kentucky Division  
for the month ended December 31, 2004:

Balance Sheet  
Statement of Income

Additional financial data:

Dallas General Office Capital Allocation	(\$1,486,147)
Weighted Average Cost of Debt	5.82%
Percentage of Debt to Total Capitalization	60%

If you have any questions regarding these schedules, please call me at (972) 855-3214.

Regards,

Chris Forsythe  
Director, Financial Reporting

Encl.

**ATMOS ENERGY KENTUCKY DIVISION  
BALANCE SHEET**

Description (a)	December 31, 2004 (b)	September 30, 2004 (c)
<b>ASSETS</b>		
Property, plant and equipment		
Utility plant	\$279,762,416	\$284,012,277
Non-utility plant	11,806	22,193
Construction work in progress	<u>3,024,306</u>	<u>3,894,845</u>
	282,798,528	287,929,315
Less accumulated depreciation and amortization	<u>121,098,242</u>	<u>123,340,869</u>
Net property, plant and equipment	161,700,286	164,588,446
Current assets		
Cash and temporary cash investments	52,520	18,514,209
Accounts receivable, less allowance for doubtful accounts	46,062,715	12,227,211
Inventories	46,739	29,003
Gas stored underground	41,374,233	28,236,120
Other current assets	<u>(251,743)</u>	<u>1,667,657</u>
Total current assets	87,284,464	60,674,200
Deferred charges and other assets	<u>11,863,506</u>	<u>19,998,517</u>
Total assets	<u>\$260,848,256</u>	<u>\$245,261,163</u>
<b>LIABILITIES AND KENTUCKY DIVISION CAPITAL ACCOUNT</b>		
Kentucky Division capital account - net	\$163,169,141	\$180,231,695
Current liabilities		
Accounts payable	37,389,007	9,856,409
Accrued taxes	1,621,476	(263,795)
Customer Deposits	4,005,039	3,408,514
Other current liabilities	<u>12,679,659</u>	<u>7,178,206</u>
Total current liabilities	55,695,181	20,179,334
Deferred income taxes	32,059,452	32,612,837
Deferred credits	<u>9,924,482</u>	<u>12,237,297</u>
Total liabilities and Kentucky Division capital account	<u>\$260,848,256</u>	<u>\$245,261,163</u>


NOTE: Kentucky Division is an operating division of Atmos Energy Corporation (Atmos) and therefore does not maintain a separate capital structure. Cash is transferred to the general office daily and returned as needed. Debt and interest payable are carried on the corporate books of Atmos. A portion of accrued income taxes and deferred income taxes are reflected on Kentucky Division's books. Since Kentucky Division is operated as a division, it has no retained earnings. However, beginning in February 2000, corporate balance sheet amounts are being allocated to Kentucky Division and the other divisions of Atmos Energy Corporation. Intercompany payables and receivables, as well as an allocated portion of corporate shareholders' equity, long-term debt, and short-term debt, are included in the Kentucky Division Capital Account.



ATMOS ENERGY KENTUCKY DIVISION  
STATEMENTS OF INCOME  
FOR THE MONTH, THREE MONTHS AND TWELVE MONTHS ENDED DECEMBER 31, 2004

Line No.	Description (a)	Current Month		Year to Date		Twelve Months Ended
		Actual (b)	Prior Year Actual (c)	Actual (d)	Prior Year Actual (e)	
1	Operating revenues					
2	Gas	\$32,748,877	\$29,459,732	\$56,461,660	\$53,153,054	\$186,635,039
3	Transportation	1,037,432	812,088	2,539,634	2,257,835	9,325,235
4	Other	193,824	243,937	545,653	604,115	2,687,812
	Total operating revenues	<u>33,980,133</u>	<u>30,515,757</u>	<u>59,546,947</u>	<u>56,015,004</u>	<u>198,648,106</u>
5	Purchased gas	<u>27,457,842</u>	<u>24,114,586</u>	<u>45,055,618</u>	<u>41,766,810</u>	<u>145,838,061</u>
6	Gross Profit	<u>6,522,291</u>	<u>6,401,171</u>	<u>14,491,329</u>	<u>14,248,194</u>	<u>52,810,045</u>
	Operating expenses					
7	Operation & maintenance (2)	2,078,832	1,619,067	5,415,039	4,750,146	18,538,614
8	Depreciation	831,196	761,450	2,503,545	2,302,928	9,613,233
9	Taxes - other than income taxes	215,538	203,592	727,658	630,762	2,639,696
10	Income Taxes (1)	1,150,095	1,305,821	1,792,952	2,043,023	6,839,079
11	Total operating expenses	<u>4,275,661</u>	<u>3,889,930</u>	<u>10,439,194</u>	<u>9,726,859</u>	<u>37,630,622</u>
12	Operating income (loss)	<u>2,246,630</u>	<u>2,511,241</u>	<u>4,052,135</u>	<u>4,521,335</u>	<u>15,179,423</u>
	Other income					
13	Merchandise	11,609	20,174	33,050	79,400	96,754
14	Interest income (2)	12,863	18,016	46,365	47,807	352,218
15	Other nonoperating income (2)	34,463	47,787	73,725	32,735	584,200
16	Total other income (loss)	<u>58,935</u>	<u>85,977</u>	<u>153,140</u>	<u>159,942</u>	<u>1,033,172</u>
17	Income (loss) before interest charges	<u>2,305,565</u>	<u>2,597,218</u>	<u>4,205,275</u>	<u>4,681,277</u>	<u>16,212,595</u>
18	Interest charges (2)	<u>488,965</u>	<u>454,154</u>	<u>1,374,684</u>	<u>1,350,607</u>	<u>5,348,170</u>
19	Net income (loss) (1)	<u>\$1,816,600</u>	<u>\$2,143,064</u>	<u>\$2,830,591</u>	<u>\$3,330,670</u>	<u>\$10,864,425</u>

Notes:  
(1) Atmos Energy Kentucky Division is an operating division of Atmos Energy Corporation and federal income taxes are allocated from the general office and booked each month to Kentucky Division.  
(2) Includes certain amounts that are allocated from the general office and booked each month to Kentucky Division.

  
Kentucky Public Service Commission  
Attn: Joyce Spear  
P.O. Box 615  
Frankfort, Kentucky 40602

RE: Atmos Energy Kentucky Division - Monthly Operating Report

Enclosed are the following schedules for Atmos Energy Kentucky Division  
for the month ended January 31, 2005:

Balance Sheet  
Statement of Income

Additional financial data:

Dallas General Office Capital Allocation	(\$1,739,551)
Weighted Average Cost of Debt	5.92%
Percentage of Debt to Total Capitalization	59%

If you have any questions regarding these schedules, please call me at (972) 855-3214.

Regards,

Chris Forsythe  
Director, Financial Reporting

Encl.

**ATMOS ENERGY KENTUCKY DIVISION  
BALANCE SHEET**

Description (a)	January 31, 2005 (b)	September 30, 2004 (c)
<b>ASSETS</b>		
Property, plant and equipment		
Utility plant	\$280,130,924	\$284,012,277
Non-utility plant	11,806	22,193
Construction work in progress	3,508,881	3,894,845
	<u>283,651,611</u>	<u>287,929,315</u>
Less accumulated depreciation and amortization	<u>121,700,619</u>	<u>123,340,869</u>
Net property, plant and equipment	161,950,992	164,588,446
Current assets		
Cash and temporary cash investments	622,803	18,514,209
Accounts receivable, less allowance for doubtful accounts	63,608,517	12,227,211
Inventories	66,036	29,003
Gas stored underground	34,458,328	28,236,120
Other current assets	(1,369,453)	1,667,657
Total current assets	<u>97,386,231</u>	<u>60,674,200</u>
Deferred charges and other assets	<u>11,946,908</u>	<u>19,998,517</u>
Total assets	<u>\$271,284,131</u>	<u>\$245,261,163</u>
<b>LIABILITIES AND KENTUCKY DIVISION CAPITAL ACCOUNT</b>		
Kentucky Division capital account - net	\$154,735,992	\$180,231,695
Current liabilities		
Accounts payable	44,516,796	9,856,409
Accrued taxes	5,657,307	(263,795)
Customer Deposits	4,063,193	3,408,514
Other current liabilities	20,287,127	7,178,206
Total current liabilities	<u>74,524,423</u>	<u>20,179,334</u>
Deferred income taxes	32,077,382	32,612,837
Deferred credits	<u>9,946,334</u>	<u>12,237,297</u>
Total liabilities and Kentucky Division capital account	<u>\$271,284,131</u>	<u>\$245,261,163</u>

NOTE: Kentucky Division is an operating division of Atmos Energy Corporation (Atmos) and therefore does not maintain a separate capital structure. Cash is transferred to the general office daily and returned as needed. Debt and interest payable are carried on the corporate books of Atmos. A portion of accrued income taxes and deferred income taxes are reflected on Kentucky Division's books. Since Kentucky Division is operated as a division, it has no retained earnings. However, beginning in February 2000, corporate balance sheet amounts are being allocated to Kentucky Division and the other divisions of Atmos Energy Corporation. Intercompany payables and receivables, as well as an allocated portion of corporate shareholders' equity, long-term debt, and short-term debt, are included in the Kentucky Division Capital Account.


ATMOS ENERGY KENTUCKY DIVISION  
STATEMENTS OF INCOME  
FOR THE MONTH, FOUR MONTHS AND TWELVE MONTHS ENDED JANUARY 31, 2005

Line No.	Description (a)	Current Month		Year to Date		Twelve Months Ended Actual (f)	Line No.
		Actual (b)	Prior Year Actual (c)	Actual (d)	Prior Year Actual (e)		
1	Operating revenues						
	Gas	\$31,921,153	\$38,062,040	\$88,382,814	\$91,215,094	\$180,494,173	1
2	Transportation	946,645	902,635	3,486,280	3,160,471	9,369,245	2
3	Other	293,864	298,837	839,516	902,952	2,682,838	3
4	Total operating revenues	<u>33,161,662</u>	<u>39,263,512</u>	<u>92,708,610</u>	<u>95,278,517</u>	<u>192,546,256</u>	4
5	Purchased gas	<u>26,149,318</u>	<u>31,663,236</u>	<u>71,204,936</u>	<u>73,430,046</u>	<u>140,324,143</u>	5
6	Gross Profit	<u>7,012,344</u>	<u>7,600,276</u>	<u>21,503,674</u>	<u>21,848,471</u>	<u>52,222,113</u>	6
	Operating expenses						
7	Operation & maintenance (2)	1,891,058	1,832,214	7,306,097	6,582,359	18,597,459	7
8	Depreciation	934,201	782,878	3,437,746	3,085,807	9,764,555	8
9	Taxes - other than income taxes	282,020	208,347	1,009,678	839,110	2,713,368	9
10	Income Taxes (1)	1,358,321	1,691,922	3,151,273	3,734,945	6,505,478	10
11	Total operating expenses	<u>4,465,600</u>	<u>4,515,361</u>	<u>14,904,794</u>	<u>14,242,221</u>	<u>37,580,860</u>	11
12	Operating income (loss)	<u>2,546,744</u>	<u>3,084,915</u>	<u>6,598,880</u>	<u>7,606,250</u>	<u>14,641,253</u>	12
	Other income						
13	Merchandise	23,105	15,051	56,155	94,451	104,808	13
14	Interest income (2)	30,254	37,866	76,618	85,673	344,605	14
15	Other nonoperating income (2)	45,764	83,509	119,489	116,244	546,455	15
16	Total other income (loss)	<u>99,123</u>	<u>136,426</u>	<u>252,262</u>	<u>296,368</u>	<u>995,868</u>	16
17	Income (loss) before interest charges	<u>2,645,867</u>	<u>3,221,341</u>	<u>6,851,142</u>	<u>7,902,618</u>	<u>15,637,121</u>	17
18	Interest charges (2)	<u>500,653</u>	<u>463,181</u>	<u>1,875,337</u>	<u>1,813,788</u>	<u>5,385,642</u>	18
19	Net income (loss) (1)	<u>\$2,145,214</u>	<u>\$2,758,160</u>	<u>\$4,975,805</u>	<u>\$6,088,830</u>	<u>\$10,251,479</u>	19

Notes:

(1) Atmos Energy Kentucky Division is an operating division of Atmos Energy Corporation and federal income taxes are allocated from the general office and booked each month to Kentucky Division.

(2) Includes certain amounts that are allocated from the general office and booked each month to Kentucky Division.



Kentucky Public Service Commission  
Attn: Joyce Spear  
P.O. Box 615  
Frankfort, Kentucky 40602

RE: Atmos Energy Kentucky Division - Monthly Operating Report

Enclosed are the following schedules for Atmos Energy Kentucky Division  
for the month ended February 28, 2005:

Balance Sheet  
Statement of Income

Additional financial data:

Dallas General Office Capital Allocation	(\$1,678,338)
Weighted Average Cost of Debt	5.35%
Percentage of Debt to Total Capitalization	59%

If you have any questions regarding these schedules, please call me at (972) 855-3214.

Regards,

Chris Forsythe  
Director, Financial Reporting

Encl.

**ATMOS ENERGY KENTUCKY DIVISION  
BALANCE SHEET**

Description (a)	February 28, 2005 (b)	September 30, 2004 (c)
<b>ASSETS</b>		
Property, plant and equipment		
Utility plant	\$280,132,822	\$284,012,277
Non-utility plant	11,806	22,193
Construction work in progress	4,452,260	3,894,845
	<u>284,596,888</u>	<u>287,929,315</u>
Less accumulated depreciation and amortization	122,606,208	123,340,869
Net property, plant and equipment	161,990,680	164,588,446
Current assets		
Cash and temporary cash investments	4,929,766	18,514,209
Accounts receivable, less allowance for doubtful accounts	56,642,608	12,227,211
Inventories	85,208	29,003
Gas stored underground	28,291,347	28,236,120
Other current assets	(1,047,530)	1,667,657
Total current assets	<u>88,901,399</u>	<u>60,674,200</u>
Deferred charges and other assets	12,155,299	19,998,517
Total assets	<u>\$263,047,378</u>	<u>\$245,261,163</u>
<b>LIABILITIES AND KENTUCKY DIVISION CAPITAL ACCOUNT</b>		
Kentucky Division capital account - net	\$140,964,887	\$180,231,695
Current liabilities		
Accounts payable	40,434,282	9,856,409
Accrued taxes	8,214,244	(263,795)
Customer Deposits	4,124,433	3,408,514
Other current liabilities	27,175,428	7,178,206
Total current liabilities	<u>79,948,387</u>	<u>20,179,334</u>
Deferred income taxes	32,074,368	32,612,837
Deferred credits	10,059,736	12,237,297
Total liabilities and Kentucky Division capital account	<u>\$263,047,378</u>	<u>\$245,261,163</u>

NOTE: Kentucky Division is an operating division of Atmos Energy Corporation (Atmos) and therefore does not maintain a separate capital structure. Cash is transferred to the general office daily and returned as needed. Debt and interest payable are carried on the corporate books of Atmos. A portion of accrued income taxes and deferred income taxes are reflected on Kentucky Division's books. Since Kentucky Division is operated as a division, it has no retained earnings. However, beginning in February 2000, corporate balance sheet amounts are being allocated to Kentucky Division and the other divisions of Atmos Energy Corporation. Intercompany payables and receivables, as well as an allocated portion of corporate shareholders' equity, long-term debt, and short-term debt, are included in the Kentucky Division Capital Account.

ATMOS ENERGY KENTUCKY DIVISION  
STATEMENTS OF INCOME  
FOR THE MONTH, FIVE MONTHS AND TWELVE MONTHS ENDED FEBRUARY 28, 2005

Line No.	Description (a)	Current Month		Year to Date		Twelve Months Ended Actual (f)	Line No.
		Actual (b)	Prior Year Actual (c)	Actual (d)	Prior Year Actual (e)		
1	Operating revenues					\$179,540,737	1
2	Gas	\$29,050,545	\$30,003,982	\$117,433,359	\$121,219,075	9,490,662	2
3	Transportation	957,909	836,492	4,444,189	3,996,963	2,594,973	3
4	Other	325,100	412,965	1,164,616	1,315,917	191,626,372	4
	Total operating revenues	<u>30,333,554</u>	<u>31,253,439</u>	<u>123,042,164</u>	<u>126,531,955</u>		
5	Purchased gas	23,419,728	24,635,635	94,624,664	98,065,680	139,108,237	5
6	Gross Profit	<u>6,913,826</u>	<u>6,617,804</u>	<u>28,417,500</u>	<u>28,466,275</u>	<u>52,518,135</u>	6
	Operating expenses						
7	Operation & maintenance (2)	1,865,530	1,693,517	9,171,628	8,275,877	18,769,472	7
8	Depreciation	994,791	789,576	4,432,536	3,875,382	9,969,770	8
9	Taxes - other than income taxes	292,918	217,829	1,302,596	1,056,939	2,788,457	9
10	Income Taxes (1)	1,313,880	1,370,997	4,465,153	5,105,942	6,448,361	10
11	Total operating expenses	<u>4,467,119</u>	<u>4,071,919</u>	<u>19,371,913</u>	<u>18,314,140</u>	<u>37,976,060</u>	11
12	Operating income (loss)	<u>2,446,707</u>	<u>2,545,885</u>	<u>9,045,587</u>	<u>10,152,135</u>	<u>14,542,075</u>	12
	Other income						
13	Merchandise	24,075	2,683	80,229	97,133	126,200	13
14	Interest income (2)	16,069	40,883	92,687	126,556	319,791	14
15	Other nonoperating income (2)	35,805	68,834	155,294	185,078	513,426	15
16	Total other income (loss)	<u>75,949</u>	<u>112,400</u>	<u>328,210</u>	<u>408,767</u>	<u>959,417</u>	16
17	Income (loss) before interest charges	<u>2,522,656</u>	<u>2,658,285</u>	<u>9,373,797</u>	<u>10,560,902</u>	<u>15,501,492</u>	17
18	Interest charges (2)	<u>447,627</u>	<u>423,292</u>	<u>2,322,963</u>	<u>2,237,079</u>	<u>5,409,977</u>	18
19	Net income (loss) (1)	<u>\$2,075,029</u>	<u>\$2,234,993</u>	<u>\$7,050,834</u>	<u>\$8,323,823</u>	<u>\$10,091,515</u>	19

Notes:

- (1) Atmos Energy Kentucky Division is an operating division of Atmos Energy Corporation and federal income taxes are allocated from the general office and booked each month to Kentucky Division.
- (2) Includes certain amounts that are allocated from the general office and booked each month to Kentucky Division.



Kentucky Public Service Commission  
Attn: Joyce Spear  
P.O. Box 615  
Frankfort, Kentucky 40602

RE: Atmos Energy Kentucky Division - Monthly Operating Report

Enclosed are the following schedules for Atmos Energy Kentucky Division  
for the month ended March 31, 2005:

Balance Sheet  
Statement of Income

Additional financial data:

Dallas General Office Capital Allocation	(\$1,686,325)
Weighted Average Cost of Debt	5.91%
Percentage of Debt to Total Capitalization	58%

If you have any questions regarding these schedules, please call me at (972) 855-3214.

Regards,

Chris Forsythe  
Director, Financial Reporting

Encl.



**ATMOS ENERGY KENTUCKY DIVISION  
BALANCE SHEET**

Description (a)	March 31, 2005 (b)	September 30, 2004 (c)
<b>ASSETS</b>		
Property, plant and equipment		
Utility plant	\$280,131,700	\$284,012,277
Non-utility plant	11,806	22,193
Construction work in progress	<u>5,584,844</u>	<u>3,894,845</u>
	285,728,350	287,929,315
Less accumulated depreciation and amortization	<u>123,373,482</u>	<u>123,340,869</u>
Net property, plant and equipment	162,354,868	164,588,446
Current assets		
Cash and temporary cash investments	11,723,545	18,514,209
Accounts receivable, less allowance for doubtful accounts	49,518,462	12,227,211
Inventories	107,848	29,003
Gas stored underground	19,493,935	28,236,120
Other current assets	<u>(402,499)</u>	<u>1,667,657</u>
Total current assets	80,441,291	60,674,200
Deferred charges and other assets	<u>11,966,692</u>	<u>19,998,517</u>
Total assets	<u>\$254,762,851</u>	<u>\$245,261,163</u>
<b>LIABILITIES AND KENTUCKY DIVISION CAPITAL ACCOUNT</b>		
Kentucky Division capital account - net	\$131,333,200	\$180,231,695
Current liabilities		
Accounts payable	35,619,043	9,856,409
Accrued taxes	2,328,805	(263,795)
Customer Deposits	4,112,049	3,408,514
Other current liabilities	<u>34,905,200</u>	<u>7,178,206</u>
Total current liabilities	76,965,097	20,179,334
Deferred income taxes	36,296,903	32,612,837
Deferred credits	<u>10,167,651</u>	<u>12,237,297</u>
Total liabilities and Kentucky Division capital account	<u>\$254,762,851</u>	<u>\$245,261,163</u>

NOTE: Kentucky Division is an operating division of Atmos Energy Corporation (Atmos) and therefore does not maintain a separate capital structure. Cash is transferred to the general office daily and returned as needed. Debt and interest payable are carried on the corporate books of Atmos. A portion of accrued income taxes and deferred income taxes are reflected on Kentucky Division's books. Since Kentucky Division is operated as a division, it has no retained earnings. However, beginning in February 2000, corporate balance sheet amounts are being allocated to Kentucky Division and the other divisions of Atmos Energy Corporation. Intercompany payables and receivables, as well as an allocated portion of corporate shareholders' equity, long-term debt, and short-term debt, are included in the Kentucky Division Capital Account.

ATMOS ENERGY KENTUCKY DIVISION  
STATEMENTS OF INCOME  
FOR THE MONTH, SIX MONTHS AND TWELVE MONTHS ENDED MARCH 31, 2005

Line No.	Description (a)	Current Month		Year to Date		Twelve Months Ended Actual (f)	Line No.
		Actual (b)	Prior Year Actual (c)	Actual (d)	Prior Year Actual (e)		
1	Operating revenues						
2	Gas	\$25,094,686	\$19,756,621	\$142,528,045	\$140,975,698	\$184,878,800	1
3	Transportation	820,678	827,608	5,264,867	4,824,571	9,483,732	2
4	Other	249,534	444,367	1,414,150	1,760,283	2,400,141	3
5	Total operating revenues	26,164,898	21,028,596	149,207,062	147,560,552	196,762,673	4
6	Purchased gas	21,340,957	15,474,766	115,965,621	113,540,447	144,974,427	5
7	Gross Profit	4,823,941	5,553,830	33,241,441	34,020,105	51,788,246	6
8	Operating expenses						
9	Operation & maintenance (2)	521,553	2,007,837	9,693,180	10,283,712	17,283,189	7
10	Depreciation	960,447	752,787	5,392,983	4,628,169	10,177,430	8
11	Taxes - other than income taxes	249,817	245,228	1,552,413	1,302,168	2,793,045	9
12	Income Taxes (1)	920,205	822,906	5,385,358	5,928,848	6,545,660	10
13	Total operating expenses	2,652,022	3,828,758	22,023,934	22,142,897	36,799,324	11
14	Operating income (loss)	2,171,919	1,725,072	11,217,507	11,877,208	14,988,922	12
15	Other income						
16	Merchandise	24,086	12,746	104,315	109,879	137,540	13
17	Interest income (2)	31,225	31,485	123,912	158,041	319,531	14
18	Other nonoperating income (2)	23,593	39,742	178,887	224,819	497,278	15
19	Total other income (loss)	78,904	83,973	407,114	492,739	954,349	16
20	Income (loss) before interest charges	2,250,823	1,809,045	11,624,621	12,369,947	15,943,271	17
21	Interest charges (2)	495,838	449,570	2,818,802	2,686,649	5,456,246	18
22	Net income (loss) (1)	\$1,754,985	\$1,359,475	\$8,805,819	\$9,683,298	\$10,487,025	19

Notes:

- (1) Atmos Energy Kentucky Division is an operating division of Atmos Energy Corporation and federal income taxes are allocated from the general office and booked each month to Kentucky Division.
- (2) Includes certain amounts that are allocated from the general office and booked each month to Kentucky Division.



Kentucky Public Service Commission  
Attn: Joyce Spear  
P.O. Box 615  
Frankfort, Kentucky 40602

RE: Atmos Energy Kentucky Division - Monthly Operating Report

Enclosed are the following schedules for Atmos Energy Kentucky Division  
for the month ended April 30, 2005:

Balance Sheet  
Statement of Income

Additional financial data:

Dallas General Office Capital Allocation	(\$1,503,505)
Weighted Average Cost of Debt	5.59%
Percentage of Debt to Total Capitalization	58%

If you have any questions regarding these schedules, please call me at (972) 855-3214.

Regards,

Chris Forsythe  
Director, Financial Reporting

Encl.

**ATMOS ENERGY KENTUCKY DIVISION  
BALANCE SHEET**


Description (a)	April 30, 2005 (b)	September 30, 2004 (c)
<b>ASSETS</b>		
Property, plant and equipment		
Utility plant	\$283,655,375	\$284,012,277
Non-utility plant	11,806	22,193
Construction work in progress	3,341,462	3,894,845
	<u>287,008,643</u>	<u>287,929,315</u>
Less accumulated depreciation and amortization	<u>124,275,614</u>	<u>123,340,869</u>
Net property, plant and equipment	162,733,029	164,588,446
Current assets		
Cash and temporary cash investments	13,447,537	18,514,209
Accounts receivable, less allowance for doubtful accounts	31,764,941	12,227,211
Inventories	98,780	29,003
Gas stored underground	12,688,004	28,236,120
Other current assets	(355,513)	1,667,657
Total current assets	<u>57,643,749</u>	<u>60,674,200</u>
Deferred charges and other assets	<u>12,208,269</u>	<u>19,998,517</u>
Total assets	<u>\$232,585,047</u>	<u>\$245,261,163</u>
<b>LIABILITIES AND KENTUCKY DIVISION CAPITAL ACCOUNT</b>		
Kentucky Division capital account - net	\$120,486,235	\$180,231,695
Current liabilities		
Accounts payable	20,949,228	9,856,409
Accrued taxes	2,720,219	(263,795)
Customer Deposits	4,005,359	3,408,514
Other current liabilities	37,887,832	7,178,206
Total current liabilities	<u>65,562,638</u>	<u>20,179,334</u>
Deferred income taxes	36,295,617	32,612,837
Deferred credits	<u>10,240,557</u>	<u>12,237,297</u>
Total liabilities and Kentucky Division capital account	<u>\$232,585,047</u>	<u>\$245,261,163</u>

NOTE: Kentucky Division is an operating division of Atmos Energy Corporation (Atmos) and therefore does not maintain a separate capital structure. Cash is transferred to the general office daily and returned as needed. Debt and interest payable are carried on the corporate books of Atmos. A portion of accrued income taxes and deferred income taxes are reflected on Kentucky Division's books. Since Kentucky Division is operated as a division, it has no retained earnings. However, beginning in February 2000, corporate balance sheet amounts are being allocated to Kentucky Division and the other divisions of Atmos Energy Corporation. Intercompany payables and receivables, as well as an allocated portion of corporate shareholders' equity, long-term debt, and short-term debt, are included in the Kentucky Division Capital Account.

ATMOS ENERGY KENTUCKY DIVISION  
STATEMENTS OF INCOME  
FOR THE MONTH, SEVEN MONTHS AND TWELVE MONTHS ENDED APRIL 30, 2005

Line No.	Description (a)	Current Month		Year to Date		Twelve Months Ended	Line No.
		Actual (b)	Prior Year Actual (c)	Actual (d)	Prior Year Actual (e)		
1	Operating revenues						
2	Gas	\$11,979,501	\$11,832,019	\$154,507,547	\$152,807,716	\$185,026,284	1
3	Transportation	714,043	918,865	5,978,910	5,743,436	9,278,910	2
4	Other	258,608	265,461	1,672,758	2,025,745	2,393,287	3
5	Total operating revenues	<u>12,952,152</u>	<u>13,016,345</u>	<u>162,159,215</u>	<u>160,576,897</u>	<u>196,698,481</u>	4
6	Purchased gas	9,091,495	8,994,974	125,057,117	122,535,421	145,070,949	5
7	Gross Profit	3,860,657	4,021,371	37,102,098	38,041,476	51,627,532	6
8	Operating expenses						
9	Operation & maintenance (2)	1,626,041	1,449,406	11,319,223	11,733,120	17,459,824	7
10	Depreciation	1,043,419	742,549	6,436,402	5,370,718	10,478,300	8
11	Taxes - other than income taxes	243,304	208,820	1,795,716	1,510,987	2,827,529	9
12	Income Taxes (1)	217,195	479,887	5,602,553	6,408,735	6,282,968	10
13	Total operating expenses	<u>3,129,959</u>	<u>2,880,662</u>	<u>25,153,894</u>	<u>25,023,560</u>	<u>37,048,621</u>	11
14	Operating income (loss)	730,698	1,140,709	11,948,204	13,017,916	14,578,911	12
15	Other income						
16	Merchandise	23,283	(15,981)	127,599	93,898	176,805	13
17	Interest income (2)	44,050	32,770	167,962	190,811	330,811	14
18	Other nonoperating income (2)	35,850	79,337	214,737	304,157	453,790	15
19	Total other income (loss)	<u>103,183</u>	<u>96,126</u>	<u>510,298</u>	<u>588,866</u>	<u>961,406</u>	16
20	Income (loss) before interest charges	833,881	1,236,835	12,458,502	13,606,782	15,540,317	17
21	Interest charges (2)	478,758	452,864	3,297,560	3,139,513	5,482,140	18
22	Net income (loss) (1)	<u>\$355,123</u>	<u>\$783,971</u>	<u>\$9,160,942</u>	<u>\$10,467,269</u>	<u>\$10,058,177</u>	19

Notes:  
(1) Atmos Energy Kentucky Division is an operating division of Atmos Energy Corporation and federal income taxes are allocated from the general office and booked each month to Kentucky Division.  
(2) Includes certain amounts that are allocated from the general office and booked each month to Kentucky Division.



Kentucky Public Service Commission  
Attn: Joyce Spear  
P.O. Box 615  
Frankfort, Kentucky 40602

RE: Atmos Energy Kentucky Division - Monthly Operating Report

Enclosed are the following schedules for Atmos Energy Kentucky Division  
for the month ended May 31, 2005:

Balance Sheet  
Statement of Income

Additional financial data:

Dallas General Office Capital Allocation	(\$1,355,361)
Weighted Average Cost of Debt	5.93%
Percentage of Debt to Total Capitalization	58%

If you have any questions regarding these schedules, please call me at (972) 855-3214.

Regards,

Chris Forsythe  
Director, Financial Reporting

Encl.

**ATMOS ENERGY KENTUCKY DIVISION  
BALANCE SHEET**

Description (a)	May 31, 2005 (b)	September 30, 2004 (c)
<b>ASSETS</b>		
Property, plant and equipment		
Utility plant	\$284,288,148	\$284,012,277
Non-utility plant	11,806	22,193
Construction work in progress	<u>3,824,524</u>	<u>3,894,845</u>
	288,124,478	287,929,315
Less accumulated depreciation and amortization	<u>124,895,878</u>	<u>123,340,869</u>
Net property, plant and equipment	163,228,600	164,588,446
Current assets		
Cash and temporary cash investments	9,191,792	18,514,209
Accounts receivable, less allowance for doubtful accounts	19,367,666	12,227,211
Inventories	182,717	29,003
Gas stored underground	16,966,931	28,236,120
Other current assets	<u>(566,368)</u>	<u>1,667,657</u>
Total current assets	45,142,738	60,674,200
Deferred charges and other assets	<u>12,446,813</u>	<u>19,998,517</u>
Total assets	<u>\$220,818,151</u>	<u>\$245,261,163</u>
<b>LIABILITIES AND KENTUCKY DIVISION CAPITAL ACCOUNT</b>		
Kentucky Division capital account - net	\$119,962,163	\$180,231,695
Current liabilities		
Accounts payable	13,930,905	9,856,409
Accrued taxes	2,833,189	(263,795)
Customer Deposits	3,942,224	3,408,514
Other current liabilities	<u>33,525,976</u>	<u>7,178,206</u>
Total current liabilities	54,232,294	20,179,334
Deferred income taxes	36,296,139	32,612,837
Deferred credits	<u>10,327,555</u>	<u>12,237,297</u>
Total liabilities and Kentucky Division capital account	<u>\$220,818,151</u>	<u>\$245,261,163</u>

NOTE: Kentucky Division is an operating division of Atmos Energy Corporation (Atmos) and therefore does not maintain a separate capital structure. Cash is transferred to the general office daily and returned as needed. Debt and interest payable are carried on the corporate books of Atmos. A portion of accrued income taxes and deferred income taxes are reflected on Kentucky Division's books. Since Kentucky Division is operated as a division, it has no retained earnings. However, beginning in February 2000, corporate balance sheet amounts are being allocated to Kentucky Division and the other divisions of Atmos Energy Corporation. Intercompany payables and receivables, as well as an allocated portion of corporate shareholders' equity, long-term debt, and short-term debt, are included in the Kentucky Division Capital Account.


ATMOS ENERGY KENTUCKY DIVISION  
STATEMENTS OF INCOME  
FOR THE MONTH, EIGHT MONTHS AND TWELVE MONTHS ENDED MAY 31, 2005

Line No.	Description (a)	Current Month		Year to Date		Twelve Months Ended Actual (f)	Line No.
		Actual (b)	Prior Year Actual (c)	Actual (d)	Prior Year Actual (e)		
1	Operating revenues					\$188,247,275	1
2	Gas	\$9,752,460	\$6,531,468	\$164,260,006	\$159,339,184		2
3	Transportation	729,035	681,230	6,707,946	6,424,667	9,326,715	3
4	Other	161,203	213,751	1,833,960	2,239,495	2,340,739	4
	Total operating revenues	<u>10,642,698</u>	<u>7,426,449</u>	<u>172,801,912</u>	<u>168,003,346</u>	<u>199,914,729</u>	
5	Purchased gas	7,354,418	4,346,802	132,411,534	126,882,223	148,078,564	5
6	Gross Profit	<u>3,288,280</u>	<u>3,079,647</u>	<u>40,390,378</u>	<u>41,121,123</u>	<u>51,836,165</u>	6
	Operating expenses						
7	Operation & maintenance (2)	1,466,229	1,365,244	12,785,450	13,098,364	17,560,807	7
8	Depreciation	695,343	765,745	7,131,746	6,136,463	10,407,899	8
9	Taxes - other than income taxes	240,646	201,480	2,036,363	1,712,467	2,866,696	9
10	Income Taxes (1)	164,554	169,961	5,767,107	6,578,696	6,277,561	10
11	Total operating expenses	<u>2,566,772</u>	<u>2,502,430</u>	<u>27,720,666</u>	<u>27,525,990</u>	<u>37,112,963</u>	11
12	Operating income (loss)	<u>721,508</u>	<u>577,217</u>	<u>12,669,712</u>	<u>13,595,133</u>	<u>14,723,202</u>	12
	Other income						
13	Merchandise	(15,410)	12,760	112,189	106,658	148,635	13
14	Interest income (2)	52,450	27,190	220,412	218,001	356,071	14
15	Other nonoperating income (2)	16,456	99,504	231,193	403,661	370,742	15
16	Total other income (loss)	<u>53,496</u>	<u>139,454</u>	<u>563,794</u>	<u>728,320</u>	<u>875,448</u>	16
17	Income (loss) before interest charges	<u>775,004</u>	<u>716,671</u>	<u>13,233,506</u>	<u>14,323,453</u>	<u>15,598,650</u>	17
18	Interest charges (2)	<u>505,952</u>	<u>439,012</u>	<u>3,803,512</u>	<u>3,578,525</u>	<u>5,549,080</u>	18
19	Net income (loss) (1)	<u>\$269,052</u>	<u>\$277,659</u>	<u>\$9,429,994</u>	<u>\$10,744,928</u>	<u>\$10,049,570</u>	19

Notes:

- (1) Atmos Energy Kentucky Division is an operating division of Atmos Energy Corporation and federal income taxes are allocated from the general office and booked each month to Kentucky Division.
- (2) Includes certain amounts that are allocated from the general office and booked each month to Kentucky Division.



  
Kentucky Public Service Commission  
Attn: Joyce Spear  
P.O. Box 615  
Frankfort, Kentucky 40602

RE: Atmos Energy Kentucky Division - Monthly Operating Report

Enclosed are the following schedules for Atmos Energy Kentucky Division  
for the month ended June 30, 2005:

Balance Sheet  
Statement of Income

Additional financial data:

Dallas General Office Capital Allocation	(\$1,294,069)
Weighted Average Cost of Debt	5.74%
Percentage of Debt to Total Capitalization	58%

If you have any questions regarding these schedules, please call me at (972) 855-3214.

Regards,

Chris Forsythe  
Director, Financial Reporting

Encl.

**ATMOS ENERGY KENTUCKY DIVISION  
BALANCE SHEET**

Description (a)	June 30, 2005 (b)	September 30, 2004 (c)
<b>ASSETS</b>		
Property, plant and equipment		
Utility plant	\$285,527,102	\$284,012,277
Non-utility plant	11,806	22,193
Construction work in progress	4,719,535	3,894,845
	<u>290,258,443</u>	<u>287,929,315</u>
Less accumulated depreciation and amortization	125,698,256	123,340,869
Net property, plant and equipment	164,560,187	164,588,446
Current assets		
Cash and temporary cash investments	532,272	18,514,209
Accounts receivable, less allowance for doubtful accounts	11,211,397	12,227,211
Inventories	208,824	29,003
Gas stored underground	19,678,443	28,236,120
Other current assets	(123,664)	1,667,657
Total current assets	<u>31,507,272</u>	<u>60,674,200</u>
Deferred charges and other assets	12,448,512	19,998,517
Total assets	<u>\$208,515,971</u>	<u>\$245,261,163</u>
<b>LIABILITIES AND KENTUCKY DIVISION CAPITAL ACCOUNT</b>		
Kentucky Division capital account - net	\$114,762,949	\$180,231,695
Current liabilities		
Accounts payable	8,825,293	9,856,409
Accrued taxes	6,282,107	(263,795)
Customer Deposits	3,855,870	3,408,514
Other current liabilities	33,209,619	7,178,206
Total current liabilities	<u>52,172,889</u>	<u>20,179,334</u>
Deferred income taxes	31,119,237	32,612,837
Deferred credits	10,460,896	12,237,297
Total liabilities and Kentucky Division capital account	<u>\$208,515,971</u>	<u>\$245,261,163</u>


NOTE: Kentucky Division is an operating division of Atmos Energy Corporation (Atmos) and therefore does not maintain a separate capital structure. Cash is transferred to the general office daily and returned as needed. Debt and interest payable are carried on the corporate books of Atmos. A portion of accrued income taxes and deferred income taxes are reflected on Kentucky Division's books. Since Kentucky Division is operated as a division, it has no retained earnings. However, beginning in February 2000, corporate balance sheet amounts are being allocated to Kentucky Division and the other divisions of Atmos Energy Corporation. Intercompany payables and receivables, as well as an allocated portion of corporate shareholders' equity, long-term debt, and short-term debt, are included in the Kentucky Division Capital Account.

ATMOS ENERGY KENTUCKY DIVISION  
STATEMENTS OF INCOME  
FOR THE MONTH, NINE MONTHS AND TWELVE MONTHS ENDED JUNE 30, 2005

Line No.	Description (a)	Current Month		Year to Date		Twelve Months Ended	
		Actual (b)	Prior Year Actual (c)	Actual (d)	Prior Year Actual (e)	Actual (f)	Line No.
1	Operating revenues						
2	Gas	\$7,929,252	\$5,912,608	\$172,189,258	\$165,251,792	\$190,263,919	1
3	Transportation	670,855	667,278	7,378,800	7,091,944	9,330,292	2
4	Other	146,139	130,065	1,980,100	2,369,560	2,356,814	3
	Total operating revenues	<u>8,746,246</u>	<u>6,709,951</u>	<u>181,548,158</u>	<u>174,713,296</u>	<u>201,951,025</u>	4
5	Purchased gas	<u>5,751,496</u>	<u>3,827,733</u>	<u>138,163,030</u>	<u>130,709,955</u>	<u>150,002,328</u>	5
6	Gross Profit	<u>2,994,750</u>	<u>2,882,218</u>	<u>43,385,128</u>	<u>44,003,341</u>	<u>51,948,697</u>	6
	Operating expenses						
7	Operation & maintenance (2)	2,473,077	1,181,573	15,258,528	14,279,937	18,852,312	7
8	Depreciation	853,439	774,693	7,985,185	6,911,157	10,486,644	8
9	Taxes - other than income taxes	242,938	205,139	2,279,300	1,917,605	2,904,495	9
10	Income Taxes (1)	(325,967)	63,631	5,441,140	6,642,327	5,887,963	10
11	Total operating expenses	<u>3,243,487</u>	<u>2,225,036</u>	<u>30,964,153</u>	<u>29,751,026</u>	<u>38,131,414</u>	11
12	Operating income (loss)	<u>(248,737)</u>	<u>657,182</u>	<u>12,420,975</u>	<u>14,252,315</u>	<u>13,817,283</u>	12
	Other income						
13	Merchandise	31,835	(3,886)	144,024	102,772	184,356	13
14	Interest income (2)	70,562	25,809	290,975	243,810	400,825	14
15	Other nonoperating income (2)	71,819	81,811	303,011	485,472	360,749	15
16	Total other income (loss)	<u>174,216</u>	<u>103,734</u>	<u>738,010</u>	<u>832,054</u>	<u>945,930</u>	16
17	Income (loss) before interest charges	<u>(74,521)</u>	<u>760,916</u>	<u>13,158,985</u>	<u>15,084,369</u>	<u>14,763,213</u>	17
18	Interest charges (2)	<u>483,714</u>	<u>428,584</u>	<u>4,287,226</u>	<u>4,007,109</u>	<u>5,604,210</u>	18
19	Net income (loss) (1)	<u>(\$558,235)</u>	<u>\$332,332</u>	<u>\$8,871,759</u>	<u>\$11,077,260</u>	<u>\$9,159,003</u>	19

Notes:

- (1) Atmos Energy Kentucky Division is an operating division of Atmos Energy Corporation and federal income taxes are allocated from the general office and booked each month to Kentucky Division.
- (2) Includes certain amounts that are allocated from the general office and booked each month to Kentucky Division.



Kentucky Public Service Commission  
Attn: Joyce Spear  
P.O. Box 615  
Frankfort, Kentucky 40602

RE: Atmos Energy Kentucky Division - Monthly Operating Report

Enclosed are the following schedules for Atmos Energy Kentucky Division  
for the month ended July 31, 2005:

Balance Sheet  
Statement of Income

Additional financial data:

Dallas General Office Capital Allocation	(\$1,257,492)
Weighted Average Cost of Debt	5.76%
Percentage of Debt to Total Capitalization	58%

If you have any questions regarding these schedules, please call me at (972) 855-3214.

Regards,

Chris Forsythe  
Director, Financial Reporting

Encl.

**ATMOS ENERGY KENTUCKY DIVISION  
BALANCE SHEET**

Description (a)	July 31, 2005 (b)	September 30, 2004 (c)
<b>ASSETS</b>		
Property, plant and equipment		
Utility plant	\$286,870,581	\$284,012,277
Non-utility plant	11,806	22,193
Construction work in progress	4,881,533	3,894,845
	<u>291,763,920</u>	<u>287,929,315</u>
Less accumulated depreciation and amortization	<u>126,497,922</u>	<u>123,340,869</u>
Net property, plant and equipment	165,265,998	164,588,446
Current assets		
Cash and temporary cash investments	(253,020)	18,514,209
Accounts receivable, less allowance for doubtful accounts	13,771,089	12,227,211
Inventories	182,026	29,003
Gas stored underground	23,729,472	28,236,120
Other current assets	(24,392)	1,667,657
Total current assets	<u>37,405,175</u>	<u>60,674,200</u>
Deferred charges and other assets	<u>12,494,205</u>	<u>19,998,517</u>
Total assets	<u>\$215,165,378</u>	<u>\$245,261,163</u>
<b>LIABILITIES AND KENTUCKY DIVISION CAPITAL ACCOUNT</b>		
Kentucky Division capital account - net	\$126,695,262	\$180,231,695
Current liabilities		
Accounts payable	10,202,381	9,856,409
Accrued taxes	5,382,569	(263,795)
Customer Deposits	3,834,955	3,408,514
Other current liabilities	27,366,759	7,178,206
Total current liabilities	<u>46,786,664</u>	<u>20,179,334</u>
Deferred income taxes	31,120,698	32,612,837
Deferred credits	<u>10,562,754</u>	<u>12,237,297</u>
Total liabilities and Kentucky Division capital account	<u>\$215,165,378</u>	<u>\$245,261,163</u>

NOTE: Kentucky Division is an operating division of Atmos Energy Corporation (Atmos) and therefore does not maintain a separate capital structure. Cash is transferred to the general office daily and returned as needed. Debt and interest payable are carried on the corporate books of Atmos. A portion of accrued income taxes and deferred income taxes are reflected on Kentucky Division's books. Since Kentucky Division is operated as a division, it has no retained earnings. However, beginning in February 2000, corporate balance sheet amounts are being allocated to Kentucky Division and the other divisions of Atmos Energy Corporation. Intercompany payables and receivables, as well as an allocated portion of corporate shareholders' equity, long-term debt, and short-term debt, are included in the Kentucky Division Capital Account.

ATMOS ENERGY KENTUCKY DIVISION  
STATEMENTS OF INCOME  
FOR THE MONTH, TEN MONTHS AND TWELVE MONTHS ENDED JULY 31, 2005

Line No.	Description (a)	Current Month		Year to Date		Twelve Months Ended	
		Actual (b)	Prior Year Actual (c)	Actual (d)	Prior Year Actual (e)	Actual (f)	Line No.
1	Operating revenues						
	Gas	\$7,376,204	\$6,096,696	\$179,565,462	\$171,348,488	\$191,543,427	1
2	Transportation	640,698	618,273	8,019,499	7,710,217	9,352,718	2
3	Other	106,300	121,671	2,086,399	2,491,231	2,341,442	3
4	Total operating revenues	8,123,202	6,836,640	189,671,360	181,549,936	203,237,587	4
5	Purchased gas	5,233,046	3,990,450	143,396,076	134,700,404	151,244,925	5
6	Gross Profit	2,890,156	2,846,190	46,275,284	46,849,532	51,992,662	6
	Operating expenses						
7	Operation & maintenance (2)	1,500,280	1,481,336	16,758,808	15,761,274	18,871,255	7
8	Depreciation	863,192	808,676	8,848,377	7,719,832	10,541,161	8
9	Taxes - other than income taxes	249,433	208,973	2,528,733	2,126,579	2,944,954	9
10	Income Taxes (1)	(31,806)	12,544	5,409,334	6,654,871	5,843,613	10
11	Total operating expenses	2,581,099	2,511,529	33,545,252	32,262,556	38,200,983	11
12	Operating income (loss)	309,057	334,661	12,730,032	14,586,976	13,791,679	12
	Other income						
13	Merchandise	18,828	26,752	162,852	129,524	176,432	13
14	Interest income (2)	23,700	30,744	314,675	274,552	393,783	14
15	Other nonoperating income (2)	71,017	71,051	374,028	556,524	360,714	15
16	Total other income (loss)	113,545	128,547	851,555	960,600	930,929	16
17	Income (loss) before interest charges	422,602	463,208	13,581,587	15,547,576	14,722,608	17
18	Interest charges (2)	474,452	442,292	4,761,679	4,449,400	5,636,372	18
19	Net income (loss) (1)	(\$51,850)	\$20,916	\$8,819,908	\$11,098,176	\$9,086,236	19

Notes:

- (1) Atmos Energy Kentucky Division is an operating division of Atmos Energy Corporation and federal income taxes are allocated from the general office and booked each month to Kentucky Division.
- (2) Includes certain amounts that are allocated from the general office and booked each month to Kentucky Division.

[REDACTED]

Kentucky Public Service Commission  
Attn: Joyce Spear  
P.O. Box 615  
Frankfort, Kentucky 40602

RE: Atmos Energy Kentucky Division - Monthly Operating Report

Enclosed are the following schedules for Atmos Energy Kentucky Division  
for the month ended August 31, 2005:

Balance Sheet  
Statement of Income

Additional financial data:

Dallas General Office Capital Allocation	(\$1,398,763)
Weighted Average Cost of Debt	5.69%
Percentage of Debt to Total Capitalization	58%

If you have any questions regarding these schedules, please call me at (972) 855-3214.

Regards,

Chris Forsythe  
Director, Financial Reporting

Encl.

**ATMOS ENERGY KENTUCKY DIVISION  
BALANCE SHEET**

Description (a)	August 31, 2005 (b)	September 30, 2004 (c)
<b>ASSETS</b>		
Property, plant and equipment		
Utility plant	\$288,225,948	\$284,012,277
Non-utility plant	11,806	22,193
Construction work in progress	5,424,904	3,894,845
	<u>293,662,658</u>	<u>287,929,315</u>
Less accumulated depreciation and amortization	<u>127,287,150</u>	<u>123,340,869</u>
Net property, plant and equipment	166,375,508	164,588,446
Current assets		
Cash and temporary cash investments	(138,816)	18,514,209
Accounts receivable, less allowance for doubtful accounts	22,876,446	12,227,211
Inventories	75,338	29,003
Gas stored underground	29,678,318	28,236,120
Other current assets	(111,927)	1,667,657
Total current assets	<u>52,379,359</u>	<u>60,674,200</u>
Deferred charges and other assets	<u>12,364,472</u>	<u>19,998,517</u>
Total assets	<u>\$231,119,339</u>	<u>\$245,261,163</u>
<b>LIABILITIES AND KENTUCKY DIVISION CAPITAL ACCOUNT</b>		
Kentucky Division capital account - net	\$142,719,000	\$180,231,695
Current liabilities		
Accounts payable	12,159,354	9,856,409
Accrued taxes	5,218,343	(263,795)
Customer Deposits	3,855,551	3,408,514
Other current liabilities	25,396,587	7,178,206
Total current liabilities	<u>46,629,835</u>	<u>20,179,334</u>
Deferred income taxes	31,111,014	32,612,837
Deferred credits	<u>10,659,490</u>	<u>12,237,297</u>
Total liabilities and Kentucky Division capital account	<u>\$231,119,339</u>	<u>\$245,261,163</u>

NOTE: Kentucky Division is an operating division of Atmos Energy Corporation (Atmos) and therefore does not maintain a separate capital structure. Cash is transferred to the general office daily and returned as needed. Debt and interest payable are carried on the corporate books of Atmos. A portion of accrued income taxes and deferred income taxes are reflected on Kentucky Division's books. Since Kentucky Division is operated as a division, it has no retained earnings. However, beginning in February 2000, corporate balance sheet amounts are being allocated to Kentucky Division and the other divisions of Atmos Energy Corporation. Intercompany payables and receivables, as well as an allocated portion of corporate shareholders' equity, long-term debt, and short-term debt, are included in the Kentucky Division Capital Account.




ATMOS ENERGY KENTUCKY DIVISION  
STATEMENTS OF INCOME  
FOR THE MONTH, ELEVEN MONTHS AND TWELVE MONTHS ENDED AUGUST 31, 2005

Line No.	Description (a)	Current Month		Year to Date		Twelve Months Ended	Line No.
		Actual (b)	Prior Year Actual (c)	Actual (d)	Prior Year Actual (e)		
1	Operating revenues						
2	Gas	\$8,302,180	\$5,419,650	\$187,867,642	\$176,768,138	\$194,425,957	1
3	Transportation	727,278	685,176	8,746,777	8,395,393	9,394,820	2
4	Other	106,900	124,568	2,193,299	2,615,799	2,323,774	3
	Total operating revenues	9,136,358	6,229,394	198,807,718	187,779,330	206,144,551	4
5	Purchased gas	6,099,520	3,443,589	149,495,597	138,143,993	153,900,857	5
6	Gross Profit	3,036,838	2,785,805	49,312,121	49,635,337	52,243,694	6
	Operating expenses						
7	Operation & maintenance (2)	2,482,940	1,525,685	19,241,748	17,286,959	19,828,510	7
8	Depreciation	12,368	808,621	8,860,744	8,528,452	9,744,908	8
9	Taxes - other than income taxes	266,167	210,141	2,794,900	2,336,721	3,000,979	9
10	Income Taxes (1)	(44,531)	(51,348)	5,364,803	6,603,523	5,850,430	10
11	Total operating expenses	2,716,944	2,493,099	36,262,195	34,755,655	38,424,827	11
12	Operating income (loss)	319,894	292,706	13,049,926	14,879,682	13,818,867	12
	Other income						
13	Merchandise	39,347	23,504	202,200	153,029	192,275	13
14	Interest income (2)	15,040	41,324	329,715	315,876	367,499	14
15	Other nonoperating income (2)	31,004	(1,012)	405,031	555,512	392,729	15
16	Total other income (loss)	85,391	63,816	936,946	1,024,417	952,503	16
17	Income (loss) before interest charges	405,285	356,522	13,986,872	15,904,099	14,771,370	17
18	Interest charges (2)	477,877	442,138	5,239,555	4,891,539	5,672,109	18
19	Net income (loss) (1)	(\$72,592)	(\$85,616)	\$8,747,317	\$11,012,560	\$9,099,261	19

Notes:

- (1) Atmos Energy Kentucky Division is an operating division of Atmos Energy Corporation and federal income taxes are allocated from the general office and booked each month to Kentucky Division.
- (2) Includes certain amounts that are allocated from the general office and booked each month to Kentucky Division.



Kentucky Public Service Commission  
Attn: Joyce Spear  
P.O. Box 615  
Frankfort, Kentucky 40602

RE: Atmos Energy Kentucky Division - Monthly Operating Report

Enclosed are the following schedules for Atmos Energy Kentucky Division  
for the month ended September 30, 2005:

Balance Sheet  
Statement of Income

Additional financial data:

Dallas General Office Capital Allocation	(\$1,111,317)
Weighted Average Cost of Debt	5.61%
Percentage of Debt to Total Capitalization	59%

If you have any questions regarding these schedules, please call me at (972) 855-3214.

Regards,

Chris Forsythe  
Director, Financial Reporting

Encl.

**ATMOS ENERGY KENTUCKY DIVISION  
BALANCE SHEET**

Description (a)	September 30, 2005 (b)	September 30, 2004 (c)
<b>ASSETS</b>		
Property, plant and equipment		
Utility plant	\$289,988,943	\$284,012,277
Non-utility plant	10,627	22,193
Construction work in progress	<u>3,990,377</u>	<u>3,894,845</u>
	293,989,947	287,929,315
Less accumulated depreciation and amortization	<u>126,780,847</u>	<u>123,340,869</u>
Net property, plant and equipment	167,209,100	164,588,446
Current assets		
Cash and temporary cash investments	520,668	18,514,209
Accounts receivable, less allowance for doubtful accounts	29,787,878	12,227,211
Inventories	62,734	29,003
Gas stored underground	37,374,403	28,236,120
Other current assets	<u>(229,496)</u>	<u>1,667,657</u>
Total current assets	67,516,187	60,674,200
Deferred charges and other assets	<u>10,414,538</u>	<u>19,998,517</u>
Total assets	<u>\$245,139,825</u>	<u>\$245,261,163</u>
<b>LIABILITIES AND KENTUCKY DIVISION CAPITAL ACCOUNT</b>		
Kentucky Division capital account - net	\$160,900,337	\$180,231,695
Current liabilities		
Accounts payable	16,672,618	9,856,409
Accrued taxes	965,433	(263,795)
Customer Deposits	3,884,449	3,408,514
Other current liabilities	<u>21,345,096</u>	<u>7,178,206</u>
Total current liabilities	42,867,596	20,179,334
Deferred income taxes	31,408,561	32,612,837
Deferred credits	<u>9,963,331</u>	<u>12,237,297</u>
Total liabilities and Kentucky Division capital account	<u>\$245,139,825</u>	<u>\$245,261,163</u>


NOTE: Kentucky Division is an operating division of Atmos Energy Corporation (Atmos) and therefore does not maintain a separate capital structure. Cash is transferred to the general office daily and returned as needed. Debt and interest payable are carried on the corporate books of Atmos. A portion of accrued income taxes and deferred income taxes are reflected on Kentucky Division's books. Since Kentucky Division is operated as a division, it has no retained earnings. However, beginning in February 2000, corporate balance sheet amounts are being allocated to Kentucky Division and the other divisions of Atmos Energy Corporation. Intercompany payables and receivables, as well as an allocated portion of corporate shareholders' equity, long-term debt, and short-term debt, are included in the Kentucky Division Capital Account.

ATMOS ENERGY KENTUCKY DIVISION  
STATEMENTS OF INCOME  
FOR THE MONTH, TWELVE MONTHS AND TWELVE MONTHS ENDED SEPTEMBER 30, 2005

Line No.	Description (a)	Current Month		Year to Date		Twelve Months Ended	
		Actual (b)	Prior Year Actual (c)	Actual (d)	Prior Year Actual (e)	Actual (f)	Line No.
1	Operating revenues						
2	Gas	\$9,051,942	\$6,558,315	\$196,919,585	\$183,326,453	\$196,919,585	1
3	Transportation	743,297	648,043	9,490,074	9,043,436	9,490,074	2
4	Other	114,876	130,474	2,308,175	2,746,274	2,308,175	3
	Total operating revenues	<u>9,910,115</u>	<u>7,336,832</u>	<u>208,717,834</u>	<u>195,116,163</u>	<u>208,717,834</u>	4
5	Purchased gas	<u>6,920,643</u>	<u>4,405,259</u>	<u>156,416,241</u>	<u>142,549,253</u>	<u>156,416,241</u>	5
6	Gross Profit	<u>2,989,472</u>	<u>2,931,573</u>	<u>52,301,593</u>	<u>52,566,910</u>	<u>52,301,593</u>	6
	Operating expenses						
7	Operation & maintenance (2)	1,537,313	586,763	20,779,060	17,873,721	20,779,060	7
8	Depreciation	938,210	884,163	9,798,955	9,412,616	9,798,955	8
9	Taxes - other than income taxes	271,980	206,079	3,066,880	2,542,800	3,066,880	9
10	Income Taxes (1)	60,139	485,627	5,424,942	7,089,150	5,424,942	10
11	Total operating expenses	<u>2,807,642</u>	<u>2,162,632</u>	<u>39,069,837</u>	<u>36,918,287</u>	<u>39,069,837</u>	11
12	Operating income (loss)	<u>181,830</u>	<u>768,941</u>	<u>13,231,756</u>	<u>15,648,623</u>	<u>13,231,756</u>	12
	Other income						
13	Merchandise	29,306	(9,925)	231,506	143,104	231,506	13
14	Interest income (2)	52,210	37,784	381,925	353,660	381,925	14
15	Other nonoperating income (2)	17,765	(12,302)	422,796	543,210	422,796	15
16	Total other income (loss)	<u>99,281</u>	<u>15,557</u>	<u>1,036,227</u>	<u>1,039,974</u>	<u>1,036,227</u>	16
17	Income (loss) before interest charges	<u>281,111</u>	<u>784,498</u>	<u>14,267,983</u>	<u>16,688,597</u>	<u>14,267,983</u>	17
18	Interest charges (2)	<u>503,051</u>	<u>432,553</u>	<u>5,742,607</u>	<u>5,324,093</u>	<u>5,742,607</u>	18
19	Net income (loss) (1)	<u>(\$221,940)</u>	<u>\$351,945</u>	<u>\$8,525,376</u>	<u>\$11,364,504</u>	<u>\$8,525,376</u>	19

Notes:

- (1) Atmos Energy Kentucky Division is an operating division of Atmos Energy Corporation and federal income taxes are allocated from the general office and booked each month to Kentucky Division.
- (2) Includes certain amounts that are allocated from the general office and booked each month to Kentucky Division.



Kentucky Public Service Commission  
Attn: Joyce Spear  
P.O. Box 615  
Frankfort, Kentucky 40602

RE: Atmos Energy Kentucky Division - Monthly Operating Report

Enclosed are the following schedules for Atmos Energy Kentucky Division  
for the month ended October 31, 2005:

Balance Sheet  
Statement of Income

Additional financial data:

Dallas General Office Capital Allocation	(\$1,229,760)
Weighted Average Cost of Debt	5.62%
Percentage of Debt to Total Capitalization	61%

If you have any questions regarding these schedules, please call me at (972) 855-3214.

Regards,

Chris Forsythe  
Director, Financial Reporting

Encl.

**ATMOS ENERGY KENTUCKY DIVISION  
BALANCE SHEET**

Description (a)	October 31, 2005 (b)	September 30, 2005 (c)
<b>ASSETS</b>		
Property, plant and equipment		
Utility plant	\$291,004,261	\$289,988,943
Non-utility plant	11,369	10,627
Construction work in progress	<u>5,004,861</u>	<u>3,990,377</u>
	296,020,491	293,989,947
Less accumulated depreciation and amortization	<u>127,846,615</u>	<u>126,780,847</u>
Net property, plant and equipment	168,173,876	167,209,100
Current assets		
Cash and temporary cash investments	1,113,898	520,668
Accounts receivable, less allowance for doubtful accounts	39,364,207	29,787,878
Inventories	59,070	62,734
Gas stored underground	44,802,540	37,374,403
Other current assets	<u>(486,631)</u>	<u>(229,496)</u>
Total current assets	84,853,084	67,516,187
Deferred charges and other assets	<u>10,963,479</u>	<u>10,414,538</u>
Total assets	<u>\$263,990,439</u>	<u>\$245,139,825</u>
<b>LIABILITIES AND KENTUCKY DIVISION CAPITAL ACCOUNT</b>		
Kentucky Division capital account - net	\$181,215,003	\$160,900,337
Current liabilities		
Accounts payable	21,810,340	16,672,618
Accrued taxes	462,653	965,433
Customer Deposits	4,243,066	3,884,449
Other current liabilities	<u>10,267,349</u>	<u>21,345,096</u>
Total current liabilities	36,783,408	42,867,596
Deferred income taxes	35,691,401	31,408,561
Deferred credits	<u>10,300,627</u>	<u>9,963,331</u>
Total liabilities and Kentucky Division capital account	<u>\$263,990,439</u>	<u>\$245,139,825</u>


NOTE: Kentucky Division is an operating division of Atmos Energy Corporation (Atmos) and therefore does not maintain a separate capital structure. Cash is transferred to the general office daily and returned as needed. Debt and interest payable are carried on the corporate books of Atmos. A portion of accrued income taxes and deferred income taxes are reflected on Kentucky Division's books. Since Kentucky Division is operated as a division, it has no retained earnings. However, beginning in February 2000, corporate balance sheet amounts are being allocated to Kentucky Division and the other divisions of Atmos Energy Corporation. Intercompany payables and receivables, as well as an allocated portion of corporate shareholders' equity, long-term debt, and short-term debt, are included in the Kentucky Division Capital Account.

ATMOS ENERGY KENTUCKY DIVISION  
STATEMENTS OF INCOME  
FOR THE MONTH, ONE MONTH AND TWELVE MONTHS ENDED OCTOBER 31, 2005

Line No.	Description (a)	Current Month		Year to Date		Twelve Months Ended Actual (f)	Line No.
		Actual (b)	Prior Year Actual (c)	Actual (d)	Prior Year Actual (e)		
1	Operating revenues						
2	Gas	\$16,303,159	\$8,441,057	\$16,303,159	\$8,441,057	\$204,781,687	1
3	Transportation	693,830	724,939	693,830	724,939	9,458,965	2
4	Other	155,662	164,733	155,662	164,733	2,299,104	3
	Total operating revenues	<u>17,152,651</u>	<u>9,330,729</u>	<u>17,152,651</u>	<u>9,330,729</u>	<u>216,539,756</u>	4
5	Purchased gas	12,918,615	5,675,915	12,918,615	5,675,915	163,658,941	5
6	Gross Profit	4,234,036	3,654,814	4,234,036	3,654,814	52,880,815	6
	Operating expenses						
7	Operation & maintenance (2)	1,667,952	1,565,116	1,667,952	1,565,116	20,881,896	7
8	Depreciation	890,057	849,964	890,057	849,964	9,839,048	8
9	Taxes - other than income taxes	278,129	239,615	278,129	239,615	3,105,394	9
10	Income Taxes (1)	370,880	266,031	370,880	266,031	5,529,791	10
11	Total operating expenses	<u>3,207,018</u>	<u>2,920,726</u>	<u>3,207,018</u>	<u>2,920,726</u>	<u>39,356,129</u>	11
12	Operating income (loss)	1,027,018	734,088	1,027,018	734,088	13,524,686	12
	Other income						
13	Merchandise	25,318	15,399	25,318	15,399	241,425	13
14	Interest income (2)	49,531	17,923	49,531	17,923	413,533	14
15	Other nonoperating income (2)	(12,168)	68,035	(12,168)	68,035	342,593	15
16	Total other income (loss)	<u>62,681</u>	<u>101,357</u>	<u>62,681</u>	<u>101,357</u>	<u>997,551</u>	16
17	Income (loss) before interest charges	1,089,699	835,445	1,089,699	835,445	14,522,237	17
18	Interest charges (2)	546,630	415,830	546,630	415,830	5,873,407	18
19	Net income (loss) (1)	<u>\$543,069</u>	<u>\$419,615</u>	<u>\$543,069</u>	<u>\$419,615</u>	<u>\$8,648,830</u>	19

Notes:

- (1) Atmos Energy Kentucky Division is an operating division of Atmos Energy Corporation and federal income taxes are allocated from the general office and booked each month to Kentucky Division.
- (2) Includes certain amounts that are allocated from the general office and booked each month to Kentucky Division.



Kentucky Public Service Commission  
Attn: Joyce Spear  
P.O. Box 615  
Frankfort, Kentucky 40602

RE: Atmos Energy Kentucky Division - Monthly Operating Report

Enclosed are the following schedules for Atmos Energy Kentucky Division  
for the month ended November 30, 2005:

Balance Sheet  
Statement of Income

Additional financial data:

Dallas General Office Capital Allocation	(\$1,216,077)
Weighted Average Cost of Debt	5.61%
Percentage of Debt to Total Capitalization	61%

If you have any questions regarding these schedules, please call me at (972) 855-3214.

Regards,

Chris Forsythe  
Director, Financial Reporting

Encl.



**ATMOS ENERGY KENTUCKY DIVISION  
BALANCE SHEET**

Description (a)	November 30, 2005 (b)	September 30, 2005 (c)
<b>ASSETS</b>		
Property, plant and equipment		
Utility plant	\$293,181,728	\$289,988,943
Non-utility plant	11,369	10,627
Construction work in progress	4,181,665	3,990,377
	<u>297,374,762</u>	<u>293,989,947</u>
Less accumulated depreciation and amortization	<u>128,740,370</u>	<u>126,780,847</u>
Net property, plant and equipment	168,634,392	167,209,100
Current assets		
Cash and temporary cash investments	(600,207)	520,668
Accounts receivable, less allowance for doubtful accounts	58,322,566	29,787,878
Inventories	73,785	62,734
Gas stored underground	56,206,876	37,374,403
Other current assets	(780,792)	(229,496)
Total current assets	<u>113,222,228</u>	<u>67,516,187</u>
Deferred charges and other assets	<u>10,805,332</u>	<u>10,414,538</u>
Total assets	<u>\$292,661,952</u>	<u>\$245,139,825</u>
<b>LIABILITIES AND KENTUCKY DIVISION CAPITAL ACCOUNT</b>		
Kentucky Division capital account - net	\$191,993,050	\$160,900,337
Current liabilities		
Accounts payable	39,616,324	16,672,618
Accrued taxes	298,302	965,433
Customer Deposits	4,570,376	3,884,449
Other current liabilities	10,048,691	21,345,096
Total current liabilities	<u>54,533,693</u>	<u>42,867,596</u>
Deferred income taxes	35,691,045	31,408,561
Deferred credits	<u>10,444,164</u>	<u>9,963,331</u>
Total liabilities and Kentucky Division capital account	<u>\$292,661,952</u>	<u>\$245,139,825</u>


NOTE: Kentucky Division is an operating division of Atmos Energy Corporation (Atmos) and therefore does not maintain a separate capital structure. Cash is transferred to the general office daily and returned as needed. Debt and interest payable are carried on the corporate books of Atmos. A portion of accrued income taxes and deferred income taxes are reflected on Kentucky Division's books. Since Kentucky Division is operated as a division, it has no retained earnings. However, beginning in February 2000, corporate balance sheet amounts are being allocated to Kentucky Division and the other divisions of Atmos Energy Corporation. Intercompany payables and receivables, as well as an allocated portion of corporate shareholders' equity, long-term debt, and short-term debt, are included in the Kentucky Division Capital Account.

ATMOS ENERGY KENTUCKY DIVISION  
STATEMENTS OF INCOME  
FOR THE MONTH, TWO MONTHS AND TWELVE MONTHS ENDED NOVEMBER 30, 2005

Line No.	Description (a)	Current Month		Year to Date		Twelve Months Ended
		Actual (b)	Prior Year Actual (c)	Actual (d)	Prior Year Actual (e)	
1	Operating revenues					
2	Gas	\$26,783,709	\$15,271,727	\$43,086,867	\$23,712,784	\$216,293,668
3	Transportation	793,799	777,263	1,487,629	1,502,202	9,475,501
4	Other	194,997	187,096	350,659	351,829	2,307,005
	Total operating revenues	<u>27,772,505</u>	<u>16,236,086</u>	<u>44,925,155</u>	<u>25,566,815</u>	<u>228,076,174</u>
5	Purchased gas	23,587,909	11,921,861	36,506,523	17,597,777	175,324,987
6	Gross Profit	4,184,596	4,314,225	8,418,632	7,969,038	52,751,187
	Operating expenses					
7	Operation & maintenance (2)	1,838,566	1,771,089	3,506,518	3,336,206	20,949,372
8	Depreciation	895,694	822,386	1,785,751	1,672,349	9,912,357
9	Taxes - other than income taxes	513,528	272,506	591,658	512,121	3,146,417
10	Income Taxes (1)	283,919	376,825	654,799	642,856	5,436,885
11	Total operating expenses	<u>3,331,707</u>	<u>3,242,806</u>	<u>6,538,726</u>	<u>6,163,532</u>	<u>39,445,031</u>
12	Operating income (loss)	852,889	1,071,419	1,879,906	1,805,506	13,306,156
	Other income					
13	Merchandise	41,143	6,042	66,460	21,441	276,525
14	Interest income (2)	49,176	15,579	98,707	33,502	447,130
15	Other nonoperating income (2)	21,954	(28,774)	9,787	39,261	393,322
16	Total other income (loss)	<u>112,273</u>	<u>(7,153)</u>	<u>174,954</u>	<u>94,204</u>	<u>1,116,977</u>
17	Income (loss) before interest charges	965,162	1,064,266	2,054,860	1,899,710	14,423,133
18	Interest charges (2)	549,429	469,891	1,096,058	885,719	5,952,946
19	Net income (loss) (1)	<u>\$415,733</u>	<u>\$594,375</u>	<u>\$958,802</u>	<u>\$1,013,991</u>	<u>\$8,470,187</u>

Notes:

- (1) Atmos Energy Kentucky Division is an operating division of Atmos Energy Corporation and federal income taxes are allocated from the general office and booked each month to Kentucky Division.
- (2) Includes certain amounts that are allocated from the general office and booked each month to Kentucky Division.



Kentucky Public Service Commission  
Attn: Joyce Spear  
P.O. Box 615  
Frankfort, Kentucky 40602

RE: Atmos Energy Kentucky Division - Monthly Operating Report

Enclosed are the following schedules for Atmos Energy Kentucky Division  
for the month ended December 31, 2005:

Balance Sheet  
Statement of Income

Additional financial data:

Dallas General Office Capital Allocation	(\$1,150,360)
Weighted Average Cost of Debt	5.60%
Percentage of Debt to Total Capitalization	62%

If you have any questions regarding these schedules, please call me at (972) 855-3214.

Regards,

Chris Forsythe  
Director, Financial Reporting

Encl.

**ATMOS ENERGY KENTUCKY DIVISION  
BALANCE SHEET**

Description (a)	December 31, 2005 (b)	September 30, 2005 (c)
<b>ASSETS</b>		
Property, plant and equipment		
Utility plant	\$294,926,037	\$289,988,943
Non-utility plant	11,369	10,627
Construction work in progress	<u>3,391,587</u>	<u>3,990,377</u>
	298,328,993	293,989,947
Less accumulated depreciation and amortization	<u>129,387,599</u>	<u>126,780,847</u>
Net property, plant and equipment	168,941,394	167,209,100
Current assets		
Cash and temporary cash investments	877,292	520,668
Accounts receivable, less allowance for doubtful accounts	93,470,821	29,787,878
Inventories	65,268	62,734
Gas stored underground	56,755,326	37,374,403
Other current assets	<u>(841,023)</u>	<u>(229,496)</u>
Total current assets	150,327,684	67,516,187
Deferred charges and other assets	<u>11,039,282</u>	<u>10,414,538</u>
Total assets	<u>\$330,308,360</u>	<u>\$245,139,825</u>
<b>LIABILITIES AND KENTUCKY DIVISION CAPITAL ACCOUNT</b>		
Kentucky Division capital account - net	\$178,128,845	\$160,900,337
Current liabilities		
Accounts payable	72,054,491	16,672,618
Accrued taxes	(1,103,013)	965,433
Customer Deposits	4,751,991	3,884,449
Other current liabilities	<u>25,976,325</u>	<u>21,345,096</u>
Total current liabilities	101,679,794	42,867,596
Deferred income taxes	39,906,474	31,408,561
Deferred credits	<u>10,593,247</u>	<u>9,963,331</u>
Total liabilities and Kentucky Division capital account	<u>\$330,308,360</u>	<u>\$245,139,825</u>

NOTE: Kentucky Division is an operating division of Atmos Energy Corporation (Atmos) and therefore does not maintain a separate capital structure. Cash is transferred to the general office daily and returned as needed. Debt and interest payable are carried on the corporate books of Atmos. A portion of accrued income taxes and deferred income taxes are reflected on Kentucky Division's books. Since Kentucky Division is operated as a division, it has no retained earnings. However, beginning in February 2000, corporate balance sheet amounts are being allocated to Kentucky Division and the other divisions of Atmos Energy Corporation. Intercompany payables and receivables, as well as an allocated portion of corporate shareholders' equity, long-term debt, and short-term debt, are included in the Kentucky Division Capital Account.

ATMOS ENERGY KENTUCKY DIVISION  
STATEMENTS OF INCOME  
FOR THE MONTH, THREE MONTHS AND TWELVE MONTHS ENDED DECEMBER 31, 2005

Line No.	Description (a)	Current Month		Year to Date		Twelve Months Ended	Line No.
		Actual (b)	Prior Year Actual (c)	Actual (d)	Prior Year Actual (e)		
1	Operating revenues						
2	Gas	\$49,259,196	\$32,748,877	\$92,346,063	\$56,461,661	\$232,803,987	1
3	Transportation	843,136	1,037,432	2,330,765	2,539,634	9,281,205	2
4	Other	253,737	193,824	604,396	545,653	2,366,918	3
	Total operating revenues	<u>50,356,069</u>	<u>33,980,133</u>	<u>95,281,224</u>	<u>59,546,948</u>	<u>244,452,110</u>	4
5	Purchased gas	43,652,076	27,457,842	80,158,599	45,055,618	191,519,222	5
6	Gross Profit	6,703,993	6,522,291	15,122,625	14,491,330	52,932,888	6
	Operating expenses						
7	Operation & maintenance (2)	1,865,623	2,078,832	5,372,141	5,415,039	20,735,162	7
8	Depreciation	898,344	831,196	2,684,095	2,503,545	9,979,505	8
9	Taxes - other than income taxes	283,215	215,537	874,872	727,658	3,214,094	9
10	Income Taxes (1)	1,242,626	1,150,096	1,897,425	1,792,952	5,529,415	10
11	Total operating expenses	<u>4,289,808</u>	<u>4,275,661</u>	<u>10,828,533</u>	<u>10,439,194</u>	<u>39,459,176</u>	11
12	Operating income (loss)	2,414,185	2,246,630	4,294,092	4,052,136	13,473,712	12
	Other income						
13	Merchandise	28,591	11,609	95,051	33,049	293,508	13
14	Interest income (2)	53,317	12,863	152,024	46,365	487,584	14
15	Other nonoperating income (2)	65,896	34,463	75,682	73,724	424,754	15
16	Total other income (loss)	<u>147,804</u>	<u>58,935</u>	<u>322,757</u>	<u>153,138</u>	<u>1,205,846</u>	16
17	Income (loss) before interest charges	2,561,989	2,305,565	4,616,849	4,205,274	14,679,558	17
18	Interest charges (2)	563,254	488,965	1,659,312	1,374,683	6,027,236	18
19	Net income (loss) (1)	<u>\$1,998,735</u>	<u>\$1,816,600</u>	<u>\$2,957,537</u>	<u>\$2,830,591</u>	<u>\$8,652,322</u>	19

Notes:

- (1) Atmos Energy Kentucky Division is an operating division of Atmos Energy Corporation and federal income taxes are allocated from the general office and booked each month to Kentucky Division.
- (2) Includes certain amounts that are allocated from the general office and booked each month to Kentucky Division.