



March 18, 2009

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PUBLIC SERVICE
COMMISSION

Mr. Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

RE: Case No. 2008-00499

Dear Mr. Derouen:

Atmos Energy Corporation (Company) herewith submits an original and eight (8) copies of the Company's supplemental responses to data requests 1(b) and 1(d) of the Commission Staff in the above referenced case. The Company was able to receive additional information from the Kentucky Association of Community Action organization which assisted in providing a more detailed response.

Please contact myself at 270.685.8024 if the Commission or Staff has any questions regarding this matter.

Sincerely,

A handwritten signature in cursive script that reads "Mark A. Martin".

Mark A. Martin
Vice President, Rates & Regulatory Affairs

Enclosures

cc: Collaborative Board Members
Mr. Mark R. Hutchinson
Mr. Mike Ellis

Atmos Energy Corporation
KPSC Initial Data Request Dated March 2, 2009
Case No. 2008-00499
Witness: Mark Martin

1. Refer to Application, page 2 Of 4, number 8, discussion of weatherization component of DSM program.

a. State how many customers received weatherization funds during the past 12 months of the program.

RESPONSE: For calendar year 2008, seventy-three (73) customers received weatherization funds. Please note that, on average, one hundred twenty-four (124) customers received funds during calendar years 2000 through 2007.

b. State how many customer requests for weatherization services had to be rejected due to lack of available funds during the past 12 months of the program.

RESPONSE: According to Kentucky Association of Community Action, approximately forty (40) clients were denied service. Part of the denial of service was related to the \$1,500 funding level which limited the agencies ability to assist potential clients.

c. State the total number of qualifying customers currently in Atmos's service area.

RESPONSE: During calendar year 2008, the Company had over 5,700 customers that participated in the Share the Warmth program. However, participation in this program is voluntary and does not represent the total number of qualifying households. Based on 2007 census data, seventeen percent (17%) of Kentuckians are at or below the poverty line. Based on that premise, the Company would have approximately 29,000 customers that are at or below the poverty line. Please note that prior to the American Recovery and Reinvestment Act of 2009 (ARRA), qualifying households were based on 150% of the poverty level. Due to the ARRA, the new benchmark will be 200% of the poverty level.

- d. Explain how Atmos determined that an increase from \$1,500 per household to \$3,000 is appropriate.

RESPONSE: The Company used several factors in determining that the \$3,000 was appropriate. The first factor was the rate of inflation. Using the inflation calculator on the Bureau of Labor website, the rate of inflation from calendar year 2000 to 2009 was approximately 23%. The second factor was a general principle of trying to assure that the level of assistance was sufficient for those customers that are less fortunate. Finally, the state weatherization guidelines limit the help agencies to \$1,000 for work on heat systems and with the \$1,500 limit per household, the agencies were missing a real opportunity to work on heat systems and really help low income households reduce their energy consumption. With an increase to \$3,000 per household, plus a \$1,000 that can be used on heat systems in weatherization it would give the help agencies the opportunity to replace many older and lower efficient furnaces.