

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(1)(b)(1)

Description of Filing Requirement:

A statement of the reason the adjustment is required.

Response:

This response is also addressed in Mr. Akers testimony.

1. The Company is requesting that the Commission approve new distribution rates that will provide revenues equal to our cost of service, including a reasonable return on investment. As the Commission is aware, the actual costs of the natural gas consumed by our customers are collected through a gas cost adjustment mechanism. The purpose of this case is to establish new distribution rates.
2. Atmos' present calculated rate of return on rate base is only 5.88%. Two primary factors contribute to the current revenue deficiency. First, because of changes in the market, our authorized rates will not produce in the coming year a level of revenues equal to that authorized in our previous rate case. Second, the cost of providing service has increased. Consequently, we are seeking timely and adequate rate relief in order to maintain the current high-quality, safe and reliable service our customers expect.
3. Atmos has experienced a decline in both the amount of natural gas used by our customers and in our customer base. Our industrial and transportation customers have especially been affected by the recession. Those most affected were our customers in the automotive

**Atmos Energy Corp.; Kentucky/Mid-States Division
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industry and their related suppliers. As more fully described by Company witness Mr. Gary Smith, the gross margin for our industrial sales and transportation customers is more than \$1,000,000 lower than reflected in Case 2006-00464. The number of new customer meter sets we experienced declined by over 20% from Fiscal Year (FY) 2008 to the end of FY 2009.

4. The number of residential customers on our system continues to decline and has dropped by nearly 500 from Fiscal Year 2008 to Fiscal Year 2009. The number of commercial customers on our system has declined by nearly 130 during the same period. As more fully described by Company witness Mr. Gary Smith, we also continue to experience a declining use-per-customer trend for residential, commercial and public authority customers. Thus, even if our costs of providing service were as low today as the commission determined to be appropriate in Docket No. 2006-00464 our existing rates would cause the Company to under recover.
5. Atmos is asking the Commission to approve new rate schedules that would increase revenues to provide an overall rate of return on rate base of 9.00% on the test year rate base of \$184,697,058.
6. Atmos is seeking approval to increase its rates to recover approximately \$9,486,033 in additional revenues. For an average residential customer, the total bill increase would be \$4.20 per month.

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(1)(b)(2)

Description of Filing Requirement:

A statement that the utility's annual reports, including the annual report for the most recent calendar year, are on file with the commission in accordance with 807 KAR 5:006, Section 3(1).

Response:

The Company's annual reports are on file with the commission in accordance with 807 KAR 5:006, Section 3(1).

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(1)(b)(3)

Description of Filing Requirement:

If the utility is incorporated, a certified copy of the utility's articles of incorporation and all amendments thereto or out of state documents of similar import. If the utility's articles of incorporation and amendments have already been filed with the Commission in a prior proceeding, the application may state this fact making reference to the style and case number of the prior proceeding and a certificate of good standing or certificate of authorization dated within sixty (60) days of the date the application is filed.

Response: The applicant's articles of incorporation and amendments thereto have already been filed with the Commission in Case No. 2008-00222. A certificate of authorization and good standing regarding applicant and issued by the Kentucky Secretary of State within 60 days of the date the application is filed is included in response to FR 10(1)(b)(5).

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
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FR 10(1)(b)(5)

Description of Filing Requirement:

If applicant is incorporated or is a limited partnership, a certificate of good standing or certificate of authorization dated within sixty (60) days of the date the application is filed.

Response:

A certificate of authorization and good standing issued by the Kentucky Secretary of State within 60 days of the date the application is filed is included.

Commonwealth of Kentucky
Trey Grayson
Secretary of State

Certificate of Authorization

I, Trey Grayson, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

ATMOS ENERGY CORPORATION

, a corporation organized under the laws of the state of Texas, is authorized to transact business in the Commonwealth of Kentucky, and received the authority to transact business in Kentucky on December 14, 1987.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that an application for certificate of withdrawal has not been filed; and that the most recent annual report required by KRS 271B.16-220 has been delivered to the Secretary of State.

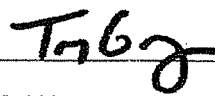
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 15th day of December, 2006.

Certificate Number: 40948

Jurisdiction: Atmos Energy Corporation

Visit <http://apps.sos.ky.gov/business/obdb/certvalidate.aspx> to validate the authenticity of this certificate.





Trey Grayson
Secretary of State
Commonwealth of Kentucky
40948/0237484

**Atmos Energy Corp.; Kentucky/Mid-States Division
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FR 10(1)(b)(6)

Description of Filing Requirement:

A certified copy of a certificate of assumed name as required by KRS 365.015 or a statement that such a certificate is not necessary.

Response:

A certificate of assumed name is not necessary since Atmos Energy Corporation does not operate under an assumed name in Kentucky.

**Atmos Energy Corp.; Kentucky/Mid-States Division
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FR 10(1)(b)(7)

Description of Filing Requirement:

The proposed tariff 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.

Response:

The proposed tariff, in accordance with the guidelines of this Filing Requirement, is attached hereto.

FOR ENTIRE SERVICE AREA

P.S.C. NO. 1

Fourth Revised SHEET No. 1

CANCELING

Third Revised SHEET No. 1

ATMOS ENERGY CORPORATION

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ISSUED: October 29, 2009

EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354)

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Midstates Division

FOR ENTIRE SERVICE AREA

P.S.C. NO. 1

Second Revised SHEET No. 2

CANCELING

First Revised SHEET No. 2

ATMOS ENERGY CORPORATION

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ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Midstates Division

Original SHEET No. 3

ATMOS ENERGY CORPORATION

Towns and Communities in Service Area

The Service Area of the Company includes the following towns and their environs:

Adairville	Dennis	Hartford	Munfordsville	Sebree
Aetnaville	Depoy	Hawesville	Niagara	Sedalia
Alton	Dermont	Heath	Nortonville	Shelby City
Anthoston	Dixon	Hendron	Oak Ridge	Shelbyville
Anton	Earlington	Herbert	Oakdale	Slaughters
Auburn	Eddyville	Hickory	Oakland	Smiths Grove
Baskett	Elkton	Hill-n-dale	Oklahoma	Sorgho
Beadlestown	Ellmitch	Hiseville	Owensboro	So. Henderson
Beaver Dam	Empire	Hopkinsville	Paducah	So. Highland
Beda	Epley	Horse Cave	Park City	So. Union
Beulah	Epperson	Hustonville	Perryville	Spottsville
Boston	Evergreen	Junction City	Philpot	Springfield
Bowling Green	Farmdale	Knottsville	Pleasant Hill	St. Charles
Bremen	Fearsville	Lake City	Pleasant Ridge	St. Joseph
Briartown	Feliciana	Lancaster	Plum Springs	Stanford
Browns Valley	Finley	Lawrenceburg	Poole	Stanley
Buck Creek	Fordsville	Lebanan	Powderly	Stringtown
Buford	Franklin	Livia	Princeton	Summersville
Burgin	Fredonia	Logantown	Pritchardsville	Sutherland
Cadiz	Fruit Hill	Lone Oak	Pryorsburg	Symsonia
Calhoun	Gilbertsville	Luzerne	Reidland	Thurston
Calvert City	Gishton	Maceo	Reidville	Utica
Calvary	Glasgow	Madisonville	Reynolds Sta.	Waddy
Campbellsville	Glenville	Mannington	Robards	Water Valley
Carbondale	Grahamville	Marion	Rocky Hill	West Louisville
Cave City	Grand Rivers	Masonville	Rome	Whitesville
Central City	Greensberg	Mayfield	Rowletts	Wingo
Charleston	Greenville	McGowan	Rumsey	Woodburn
Cloverport	Habit	Memphis Junc.	Russellville	Woodlawn
Crayne	Hanson	Midland	Sacramento	Woodsonville
Crofton	Hardeman	Milledgeville	Salmons	Yelvington
Danville	Hardinsburg	Moreland	Saloma	Zion
Dawson Springs	Harned	Mortons Gap	Schochoh	
Deanfield	Harrodsburg	Mosleyville		

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

(Issued By Authority of an Order of the Public Service Commission in Case No. 99-070 dated August 9, 2002)

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

FOR ENTIRE SERVICE AREA

P.S.C. NO. 1

Thirty-Seventh SHEET No. 4

CANCELING

Thirty-Sixth SHEET No. 4

ATMOS ENERGY CORPORATION

Current Rate Summary

Case No. 2009-00354

Firm Service

Base Charge:

Residential	-	\$ 13.50 per meter per month	(I)
Non-Residential	-	30.00 per meter per month	(I)
Transportation (T-4)	-	300.00 per delivery point per month	(I)
Transportation Administration Fee	-	50.00 per customer per meter	(I)

Rate per Mcf²

			<u>Sales (G-1)</u>	<u>Transportation (T-4)</u>	
First	300 ¹	Mcf	@ 6.1957 per Mcf	@ 1.2000 per Mcf	(T)
Next	14,700 ¹	Mcf	@ 5.7672 per Mcf	@ 0.7715 per Mcf	(I,D,I)
Over	15,000	Mcf	@ 5.4984 per Mcf	@ 0.5027 per Mcf	(I,D,I)

Interruptible Service

Base Charge	-	\$300.00 per delivery point per month	(I)
Transportation Administration Fee	-	50.00 per customer per meter	(I)

Rate per Mcf²

			<u>Sales (G-2)</u>	<u>Transportation (T-3)</u>	
First	15,000 ¹	Mcf	@ 4.7331 per Mcf	@ 0.6500 per Mcf	(T)
Over	15,000	Mcf	@ 4.4931 per Mcf	@ 0.4100 per Mcf	(I,D,I)

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

ISSUED: October 30, 2009

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ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

FOR ENTIRE SERVICE AREA

P.S.C. NO. 1

Thirty-Seventh SHEET No. 5

CANCELING

Thirty-Sixth SHEET No. 5

ATMOS ENERGY CORPORATION

Current Gas Cost Adjustments

Case No. 2009-00354

Applicable

For all Mcf billed under General Sales Service (G-1) and Interruptible Sales Service (G-2).

Gas Charge = GCA

GCA = EGC + CF + RF + PBRRF

Gas Cost Adjustment Components

G-1

G-2

EGC (Expected Gas Cost Component)	7.0705	6.1702	(I, I)
CF (Correction Factor)	(1.0679)	(1.0679)	(R,R)
RF (Refund Adjustment)	0.0000	0.0000	(N,N)
PBRRF (Performance Based Rate Recovery Factor)	<u>0.0906</u>	<u>0.0906</u>	(N,N)
GCA (Gas Cost Adjustment)	<u>\$6.0932</u>	<u>\$5.1929</u>	(I,I)

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FOR ENTIRE SERVICE AREA

P.S.C. NO. 1

Thirty-Seventh sheet No. 6

CANCELING

Thirty-Sixth Sheet No. 6

ATMOS ENERGY CORPORATION

Current Transportation							(T)
Case No. 2009-00354							
The Transportation Rates (T-3 and T-4) for each respective service net monthly rate is a follows:							
System Lost and Unaccounted gas percentage:						3.50%	
			<u>Simple</u>		<u>Non</u>	<u>Gross</u>	
			<u>Margin</u>		<u>Commodity</u>	<u>Margin</u>	
<u>Transportation Service</u>¹							
<u>Firm Service (T-4)</u>							
First 300	Mcf	@	\$1.2000	+	\$0.0000	= \$1.2000 per Mcf	(I,N,I)
Next 14,700	Mcf	@	0.7715	+	0.0000	= 0.7715 per Mcf	(I,N,I)
All Over 15,000	Mcf	@	0.5027	+	0.0000	= 0.5027 per Mcf	(I,N,I)
<u>Interruptible Service (T-3)</u>							
First 15,000	Mcf	@	\$0.6500	+	\$0.0000	= \$0.6500 per Mcf	(I,N,I)
All Over 15,000	Mcf	@	0.4100	+	0.0000	= 0.4100 per Mcf	(I,N,I)

¹ Excludes standby sales service.

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EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354)

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

ATMOS ENERGY CORPORATION

Computer Billing Rate Codes

Billing Codes as shown on sample bill format in Rules and Regulations, Sheet No. 71.

Billing Codes

Rate Description

11WC	Interruptible Sales Service (G-2) – Commercial
11WD	Interruptible Sales Service (G-2) – Industrial
11WP	Interruptible Sales Service (G-2) – Public Authority
22WC	General Sales Service (G-1) – Commercial
22WD	General Sales Service (G-1) – Industrial
22WP	General Sales Service (G-1) – Public Authority
42PR	General Sales Service (G-1) – Public Housing Residential
42WR	General Sales Service (G-1) – Residential
52WC	General Sales Service (G-1) – Commercial
52WP	General Sales Service (G-1) – Public Authority

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

ATMOS ENERGY CORPORATION

General Firm Sales Service

Rate G-1

1. Applicable

Entire Service Area of the Company.
(See list of towns – Sheet No. 3)

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

\$13.50 per meter for residential service
\$30.00 per meter for non-residential service

b) Distribution Charge

First ¹	300 Mcf	@	\$1.2000 per 1,000 cubic feet
Next ¹	14,700 Mcf	@	0.7715 per 1,000 cubic feet
Over	15,000 Mcf	@	0.5027 per 1,000 cubic feet

c) Weather Normalization Adjustment, referenced on Sheet No. 22.

d) Gas Cost Adjustment (GCA) Rider, referenced on Sheet No. 23.

e) Demand Side Management Cost Recovery Mechanism, referenced on Sheet No. 39.

f) Research & Development Rider (R&D), referenced on Sheet No. 42.

g) Pipe Replacement Program (PRP) Rider, referenced on Sheet No. 43.

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.

ISSUED: October 30, 2009

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(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354)

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

FOR ENTIRE SERVICE AREA

P.S.C. NO. 1

Second Revised SHEET No. 9

Canceling

First SHEET No. 9

ATMOS ENERGY CORPORATION

General Firm Sales Service

Rate G-1

4. Net Monthly Bill

The Net Monthly Bill shall be equal to the sum of the Base Charge, Distribution Charge, the Gas Cost Adjustment (GCA) Rider, and other riders applicable by class of service.

(D)

5. Service Period

Open order. However, the Company may require a special written contract for large use or abnormal service requirements. This contract shall include provisions for load limitations and for curtailment or interruptions as necessary, at the discretion of the Company, to prevent the load adversely affecting firm service customers in the area.

(T)

ISSUED: November 29, 2007

EFFECTIVE: January 1, 2008

(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

FOR ENTIRE SERVICE AREA

P.S.C. NO. 1

First Revised SHEET No. 10

Canceling

Original SHEET No. 10

ATMOS ENERGY CORPORATION

General Firm Sales Service

Rate G-1

6. Late Payment Charge

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for services rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

(T)

7. Rules and Regulations

Service furnished under this schedule is subject to the Company's Rules and Regulations and to applicable rate and rider schedules.

(T)

ISSUED: November 29, 2007

EFFECTIVE: January 1, 2008

(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999).

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

ATMOS ENERGY CORPORATION

Interruptible Sales Service
Rate G-2
<p>1. <u>Applicable</u></p> <p>Entire Service Area of the Company. (See list of towns – Sheet No. 3)</p> <p>2. <u>Availability of Service</u></p> <p>a) Available on an individually metered service basis to commercial and industrial customers with an expected demand of at least 9,000 Mcf per year for any use as approved by the Company on a strictly interruptible basis, subject to suitable service being available from the existing transmission and/or distribution facilities and when an adequate supply of gas is available to the Company under its purchase contracts with its pipeline supplier. (T)</p> <p>b) The supply of gas provided for herein shall be sold primarily on an interruptible basis, however, in certain cases and under certain conditions the contract may include High Priority service to be billed under “General Sales Service Rate G-1” limited to use and volume which, in the Company’s judgment, requires and justifies such combination service.</p> <p>c) The contract for service under this rate schedule shall include interruptible service or a combination of High Priority service and Interruptible service, however, the Company reserves the right to limit the volume of High Priority service available to any one customer.</p> <p>3. <u>Delivery Volumes</u></p> <p>a) The volume of gas to be sold and purchases under this rate schedule shall be set forth in a written contract, specifying a maximum daily interruptible sales service volume and shall be subject to revision in accordance with the Company’s approved curtailment plan.</p>

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ATMOS ENERGY CORPORATION

Interruptible Sales Service	
Rate G-2	
b) <u>High Priority Service</u> The volume for High Priority service shall be established on a High Priority Daily Contract Demand basis which shall be the maximum quantity the Company is obligated to deliver and which the customer may receive in any one day, subject to other provisions of this rate schedule and the related contract.	
c) <u>Interruptible Service</u> The volume for Interruptible service shall be established on an Interruptible Daily Contract Demand basis which shall be the maximum quantity the Company is obligated to deliver and which the customer may receive subject to other provisions of this rate schedule and the related contract.	
d) <u>Revision of Delivery Volumes</u> 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. <u>Net Monthly Rate</u>	
a) Base Charge: \$300.00 per delivery point per month Minimum Charge: The Base Charge plus any Transportation Fee and EFM facilities charge	(1)
b) Distribution Charge: <u>High Priority Service</u> 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".	

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ISSUED BY: Mark A. Martin - Vice President Rates & Regulatory Affairs, Kentucky/Mid-States Division

FOR ENTIRE SERVICE AREA

P.S.C. NO. 1

Second Revised SHEET No. 13

Canceling

First Revised SHEET No. 13

ATMOS ENERGY CORPORATION

Interruptible Sales Service

Rate G-2

Interruptible Service

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

First 15,000 Mcf	\$0.6500 per 1,000 cubic feet
Over 15,000 Mcf	0.4100 per 1,000 cubic feet

- c) Gas Cost Adjustment (GCA) Rider, referenced on Sheet No. 23.
- d) Research & Development Rider (R&D), referenced on Sheet No. 42.
- e) Pipe Replacement Program (PRP) Rider, referenced on Sheet No. 43.

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

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ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

(T)
(T)

(T)

(T)

ATMOS ENERGY CORPORATION

Interruptible Sales Service

Rate G-2

5. Standby or Auxiliary Equipment and Fuel

It shall be the responsibility of the customer to provide and maintain such stand-by, auxiliary equipment and fuel, as the customer may, in its discretion, require to protect its fuel requirements and best interest and to assure continuous operation during any period of interruption of gas deliveries.

6. Alternative Fuel Responsive Flex Provision

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the otherwise applicable rate 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.

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999).

ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs, Kentucky Division

ATMOS ENERGY CORPORATION

Interruptible Sales Service

Rate G-2

7. Curtailement

All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailement Order" as contained in Section 35 of its Rules and Regulations as filed with and approved by the Public Service Commission and for any causes due to force majeure (which includes acts of God, strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.

8. Penalty for Unauthorized Overruns

- a) In the event a customer fails in part or in whole to comply with a Company Curtailement Order either as to time or volume of gas used or uses a greater quantity of gas than its allowed volume under terms of the Curtailement Order, the Company may, at its sole discretion, apply a penalty rate of up to \$15.00 per Mcf.
- b) In addition to other tariff penalty provisions, the customer shall be responsible for any incremental charges assessed by the interstate pipeline(s) or suppliers resulting from the customer's failure to comply with terms of a Company Curtailement Order.
- c) The payment of penalty charges shall not be considered as giving any customer the right to take unauthorized volumes of gas nor shall such penalty charges be considered as a substitute for any other remedy available to the Company.

(T)

ISSUED: August 1, 2007

EFFECTIVE: August 1, 2007

(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007).

ISSUED BY: Mark A. Martin

Vice President Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Interruptible Sales Service

Rate G-2

9. Special Provisions

- a) A written contract with a minimum term of one year shall be required.
- b) The Rules and Regulations and Orders of the Public Service Commission and of the Company and the Company's general terms and conditions applicable to industrial and commercial sales, shall apply to this rate schedule and all contracts there under.
- c) No gas delivered under this rate schedule and applicable contract shall be available for resale.

10. Late Payment Charge

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999).

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs, Kentucky Division

FOR ENTIRE SERVICE AREA

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(D)

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Vice President Regulatory Affairs, Kentucky/Mid-States Division

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ISSUED BY: Mark A. Martin
Affairs/Kentucky Midstates Division

Vice President Regulatory

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ATMOS ENERGY CORPORATION

RESERVED FOR FUTURE USE

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ISSUED BY: Mark A. Martin - Vice President Regulatory Affairs/Kentucky Midstates Division

ATMOS ENERGY CORPORATION

Weather Normalization Adjustment Rider

WNA

1. Applicable

Applicable to Rate G-1 Sales Service, excluding industrial class only.

The distribution charge per Mcf for gas service as set forth in G-1 Sales Service shall be adjusted by an amount hereinunder described as the Weather Normalization Adjustment (WNA). The WNA shall be applicable to Rate G-1 Sales Service, excluding Industrial Sales Service.

The WNA shall apply to all residential, commercial and public authority bills based on meters read during the months of November through April. The WNA shall increase or decrease accordingly by month. The WNA will not be billed to reflect meters read during the months of May through October. Customer base loads and heating sensitivity factors will be determined by class and computed annually.

(T)

2. Computation of Weather Normalization Adjustment

The WNA shall be computed using the following formula:

$$WNA_i = R_i \frac{(HSF_i (NDD - ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where:

- i = any rate schedule or billing classification within a rate schedule that contains more than one billing classification
- WNA_i = Weather Normalization Adjustment Factor for the ith rate schedule or classification expressed as a rate per Mcf
- R_i = weighted average rate (distribution charge) of temperature sensitive sales for the ith schedule or classification
- HSF_i = heat sensitive factor for the ith schedule or classification
- NDD = normal billing cycle heating degree days (based upon NOAA 30-year normal for the period of 1971-2000)
- ADD = actual billing cycle heating degree days
- BL_i = base load for the ith schedule or classification

ISSUED: October 30, 2009

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(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354).

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

FOR ENTIRE SERVICE AREA

P.S.C. NO. 1

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CANCELING

Original SHEET No. 23

ATMOS ENERGY CORPORATION

Gas Cost Adjustment

Rider GCA

1. Applicable

Gas Tariffs in effect for the entire Service Area of the Company as designated in the particular tariff.

2. Gas Cost Adjustment (GCA)

The Company shall file a Quarterly Report with the Commission which shall contain an updated Gas Cost Adjustment (GCA) at least thirty (30) days prior to the beginning of each quarter. The quarterly GCA shall become effective in the months of February, May, August, and November. The GCA shall become effective for meter readings on and after the first day of the quarter. The Company may make out of time filings when warranted.

3. Determination of GCA

The amount computed under each of the rate schedules to which this GCA is applicable shall be increased or decreased at a rate per Mcf calculated for each billing quarter in accordance with the following formula as applicable to each rate class:

$$\text{GCA} = \text{EGC} + \text{CF} + \text{RF}$$

Where:

EGC – is the weighted average Expected Gas Cost per Mcf of gas supply which is reasonably expected to be experienced during the quarter the GCA will be applied for billings.

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

ISSUED BY: Gary L. Smith

Vice President – Marketing & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Gas Cost Adjustment	
Rider GCA	
EGC is composed of the following:	
1)	Expected commodity costs of all current purchases at reasonably expected prices, including all related variable delivery costs and FERC authorized charges billed to the Company on a commodity basis.
2)	Expected non-commodity costs including pipeline demand charges, gas supplier reservation charges, and FERC authorized charges billed to the Company on a non-commodity basis.
3)	The cost of other gas sources for system supply (no-notice supply, Company storage, withdrawals, etc.).
Less:	
4)	The cost of gas purchases expected to be injected into underground storage.
5)	Projected recovery of non-commodity costs and Lost and Unaccounted for costs from transportation transactions.
6)	The cost of Company-use volume
CF -	is the Correction Factor per Mcf which compensates for the difference between the expected gas cost and the actual gas cost for prior periods plus any gas cost which is uncollectible. (T)
CF shall be calculated as:	
CF = (a/b) + (c/b), where (T)	
a = difference between the expected gas cost and the actual gas cost for prior periods	
b = total expected annual customer sales volumes	
c = net uncollectible gas cost (i.e. uncollectible gas cost less subsequently collected gas cost)	
The Company shall file an updated Correction Factor (CF) in its January, April, July, and October GCA filings, to become effective in February, May, August, and November respectively. The net uncollectible gas costs (c) will be reported on an annual basis and included in the February quarterly GCA filing. (T)	

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ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

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First SHEET No. 25

ATMOS ENERGY CORPORATION

Gas Cost Adjustment

Rider GCA

RF - is the sum of any Refund Factors filed in the current and three preceding quarterly filings. The current Refund Factor reflects refunds received from suppliers during the reporting period. The Refund Factor will be determined by dividing the refunds received plus estimated interest¹, by the annual sales used in the quarterly filing less transported volumes. After a refund factor has remained in effect for twelve months, the difference in the amount received and the amount refunded plus the accrued interest¹ will be rolled into the next refund calculation. The refund account will be operated independently of the CF and only added as a component to the GCA in order to obtain a net GCA. In the event of any large or unusual refunds, the Company may apply to the Commission for the right to depart from the refund procedure herein set forth.

¹ At a rate equal to the average of the "3-Month Commercial Paper Rates" for the immediately preceding 12-month period less ½ of 1% to cover the costs of refunding as stated in the KPSC Order from Case No. 7157-KK. These monthly rates are reported in both the Federal Reserve Bulletin and the Federal Reserve Statistical Release.

(D)

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ISSUED BY: Mark A. Martin

Vice President Regulatory Affairs/Kentucky Midstates Division

ATMOS ENERGY CORPORATION

PBR	
Experimental Performance Based Rate Mechanism	
<p><u>Applicable</u></p> <p>To all gas sold.</p> <p><u>Rate Mechanism</u></p> <p>The amount computed under each of the rate schedules to which this Performance Based Rate Mechanism is applicable shall be increased or decreased by the Performance Based Rate Recovery Factor (PBRRF) at a rate per 1,000 cubic feet (Mcf) of monthly gas consumption. Demand costs and commodity costs shall be accumulated separately and included in the pipeline suppliers Demand Component and the Gas Supply Cost Component of the Gas Cost Adjustment (GCA), respectively. The PBRRF shall be determined for each 12-month period ended October 31 during the effective term of these experimental performance based ratemaking mechanisms, which 12-month period shall be defined as the PBR period.</p> <p>The PBRRF shall be computed in accordance with the following formula:</p> $\text{PBRRF} = (\text{CSPBR} + \text{BA}) / \text{ES}$ <p>Where:</p> <p>ES = Expected Mcf sales, as reflected in the Company's GCA filing for the upcoming 12-month period beginning February 1.</p> <p>CSPBR = Company Share of Performance Based Ratemaking Mechanism savings or expenses. The CSPBR shall be calculated as follows:</p> $\text{CSPBR} = \text{TPBRR} \times \text{ACSP}$ <p>Where:</p> <p>ACSP = Applicable Company Sharing Percentage</p> <p>TPBRR = Total Performance Based Ratemaking Results. The TPBRR shall be savings or expenses created during the PBR period. TPBRR shall be calculated as follows:</p> $\text{TPBRR} = (\text{GAIF} + \text{TIF} + \text{OSSIF})$	

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ISSUED BY: Gary L. Smith Vice President – Marketing & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

PBR

Experimental Performance Based Rate Mechanism (Continued)

GAIF

GAIF = Gas Acquisition Index Factor. The GAIF shall be computed as follows:

$$\text{GAIF} = \text{GAIFBL} + \text{GAIFSL} + \text{GAIFAM}$$

Where:

GAIFBL represents the Gas Acquisition Index Factor for Base Load system supply natural gas purchases.

GAIFSL represents the Gas Acquisition Index Factor for Swing Load system supply natural gas purchases.

GAIFAM represents the Gas Acquisition Index Factor for Asset Management, representing the portion of fixed discounts provided by the supplier for asset management rights, if any, not directly tied to per unit natural gas purchases

GAIFBL

The GAIFBL shall be calculated by comparing the Total Annual Benchmark Gas Commodity Costs for Base Load (TABGCCBL) system supply natural gas purchases for the PBR period to the Total Annual Actual Gas Commodity Costs for Base Load (TAAGCCBL) system supply natural gas purchases during the same period to determine if any shared expenses or shared savings exist.

TABGCCBL represents the Total Annual Benchmark Gas Commodity Costs for Base Load gas purchases and equals the annual sum of the monthly Benchmark Gas Commodity Costs of gas purchased for Base Load (BGCCBL) system supply

BGCCBL represents Benchmark Gas Commodity Costs for Base Load gas purchases and shall be calculated on a monthly basis and accumulated for the PBR period. BGCCBL shall be calculated as follows:

$$\text{BGCCBL} = \text{Sum} [(\text{APVBL}_i - \text{PEFDCQBL}) \times \text{SAIBL}_i] + (\text{PEFDCQBL} \times \text{DAIBL})$$

Where:

APVBL is the Actual Purchased Volumes of natural gas for Base Load system supply for the month. The APVBL shall include purchases necessary to cover retention volumes required by the pipeline as fuel.

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FOR ENTIRE SERVICE AREA

P.S.C. NO. 1

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ATMOS ENERGY CORPORATION

PBR

Experimental Performance Based Rate Mechanism (Continued)

"i" represents each supply area.

PEFDCQBL are the Base Load Purchases in Excess of Firm Daily Contract Quantities delivered to WKG's city gate. Firm Daily Contract Quantities are the maximum daily contract quantities which Company can deliver to its city gate under its various firm transportation agreements and arrangements.

SAIBL is the Supply Area Index factor for Base Load to be established for each supply area in which Company has firm transportation entitlements used to transport its natural gas purchases and for which price postings are available. The five supply areas are TGT-SL (Texas Gas Transmission-Zone SL), TGT-1 (Texas Gas Transmission-Zone 1), TGPL-0 (Tennessee Gas Pipeline-Zone 0), and TGPL-1 (Tennessee Gas Pipeline-Zone 1), and TGC-ELA (Trunkline Gas Company-ELA).

The monthly SAIBL for TGT-SL, TGT-1, TGPL-0, TGPL-1, and TGC-ELA shall be calculated using the following formula:

$$\text{SAIBL} = [I(1) + I(2) + I(3) + I(4)] / 4$$

Where:

"I" represents each index reflective of both supply area prices and price changes throughout the month in these various supply areas.

The indices for each supply zone are as follows:

SAIBL (TGT-SL)

I (1) is the average of weekly Natural Gas Week postings for Texas Gas Transmission Corporation Zone SL: South Louisiana as Spot Prices on Interstate Pipeline Systems.

I (2) is the average of the daily high and low Gas Daily postings for Louisiana-Onshore South Texas Gas Zone SL averaged for the month.

I (3) is the Inside FERC – Gas Market Report first-of-the-month posting for Texas Gas Zone SL.

I (4) is the New York Mercantile Exchange Settled Closing Price.

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Original SHEET No. 29

ATMOS ENERGY CORPORATION

PBR

Experimental Performance Based Rate Mechanism (Continued)

SAIBL (TGT-1)

I (1) is the average of weekly Natural Gas Week postings for Texas Gas Transmission Corporation Zone 1: North Louisiana as Spot Prices on Interstate Pipeline Systems. (T)

I (2) is the average of the daily high and low Gas Daily postings for East Texas – North Louisiana Area - Texas Gas Zone 1 averaged for the month.

I (3) is the Inside FERC – Gas Market Report first-of-the-month posting for Texas Gas Zone 1.

I (4) is the New York Mercantile Exchange Settled Closing Price.

SAIBL (TGPL-0)

I (1) is the average of weekly Natural Gas Week postings for Tennessee Gas Pipeline Co. Zone 0: South Texas as Spot Prices on Interstate Pipeline Systems.

I (2) is the average of the daily high and low Gas Daily postings for Texas South – Corpus Christi – Tennessee, Zone 0.

I (3) is the Inside FERC – Gas Market Report first-of-the-month posting for Tennessee Zone 0. (T)

I (4) is the New York Mercantile Exchange Settled Closing Price.

SAIBL (TGPL-1)

I (1) is the average of weekly Natural Gas Week postings for Tennessee Gas Pipeline Co. Zone 1: South Louisiana as Spot Prices on Interstate Pipeline Systems.

I (2) is the average of the daily high and low Gas Daily postings for Louisiana-Onshore South – 500 leg and – 800 leg average for the month.

I (3) is the Inside FERC – Gas Market Report first-of-the-month posting for Tennessee Zone 1.

I (4) is the New York Mercantile Exchange Settled Closing Price.

SAIBL (TGC-ELA)

I (1) is the average of weekly Natural Gas Week postings for Trunkline Gas Co. East Louisiana as Spot Prices on Interstate Pipeline Systems.

I (2) is the average of the daily high and low Gas Daily postings for Louisiana-Onshore South, Trunkline ELA.

I (3) is the Inside FERC – Gas Market Report first-of-the-month posting for Trunkline Louisiana.

I (4) is the New York Mercantile Exchange Settled Closing Price.

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ATMOS ENERGY CORPORATION

PBR

Experimental Performance Based Rate Mechanism (Continued)

DAIBL is the Delivery Area Index factor for Base Load to be established for purchases made by Company when Company has fully utilized its pipeline quantity entitlements on a daily basis and which are for delivery to Company's city gate from Texas Gas Transmission's Zone 2, 3 or 4, Tennessee Gas Pipeline's Zone 2, or Trunkline Gas Company's Zone 1B.

The monthly DAIBL for TGT-2, 3, 4, TGPL-2, and TGC-1B shall be calculated using the following:

$$\text{DAIBL} = [\text{I (1)} + \text{I (2)} + \text{I (3)}] / 3$$

DAIBL (TGT-2, 3, & 4), (TGPL-2) and (TGC-1B)

I (1) is the average of weekly Natural Gas Week postings for Spot Prices on Interstate Pipeline Systems for Dominion – South.

I (2) is the average of the daily high and low Gas Daily postings the Daily Price Survey for Dominion – South Point-Appalachia

I (3) is the Inside FERC – Gas Market Report first-of-the-month posting for Prices of Spot Gas Delivered to Pipeline for Dominion Transmission Inc. – Appalachia.

TAAGCCBL represents Company's Total Annual Actual Gas Commodity Costs for Base Load deliveries of natural gas purchased for system supply and is equal to the total monthly actual gas commodity costs.

To the extent that TAAGCCBL exceeds TABGCCBL for the PBR period, then the GAIFBL Shared Expenses shall be computed as follows:

$$\text{GAIFBL Shared Expenses} = \text{TAAGCCBL} - \text{TABGCCBL}$$

To the extent that TAAGCCBL is less than TABGCCBL for the PBR period, then the GAIFBL Shared Savings shall be computed as follows:

$$\text{GAIFBL Shared Savings} = \text{TABGCCBL} - \text{TAAGCCBL}$$

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ATMOS ENERGY CORPORATION

PBR

Experimental Performance Based Rate Mechanism (Continued)

GAI FSL

The GAI FSL shall be calculated by comparing the Total Annual Benchmark Gas Commodity Costs for Swing Load (TABGCCSL) system supply natural gas purchases for swing load for the PBR period to the Total Annual Actual Gas Commodity Costs for Swing Load (TAAGCCSL) system supply natural gas purchases for during the same period to determine if any shared expenses or shared savings exist.

TABGCCSL represents the Total Annual Benchmark Gas Commodity Costs for Swing Load gas purchases and equals the monthly Benchmark Gas Commodity Costs of gas purchased for Swing Load system supply (BGCCSL).

BGCCSL represents Benchmark Gas Commodity Costs for Swing Load gas purchases and shall be calculated on a monthly basis and accumulated for the PBR period. BGCCSL shall be calculated as follows:

$$\text{BGCCSL} = \text{Sum} [(\text{APVSL}_i - \text{PEFDCQSL}) \times \text{SAISL}_i] + (\text{PEFDCQSL} \times \text{DAISL})$$

Where:

APVSL is the Actual Purchased Volumes of natural gas for Swing Load system supply for the month. The APVSL shall include purchases necessary to cover retention volumes required by the pipeline as fuel.

"i" represents each supply area.

PEFDCQSL are the Purchases in Excess of Firm Daily Contract Quantities delivered to WKG's city gate. Firm Daily Contract Quantities are the maximum daily contract quantities which Company can deliver to its city gate under its various firm transportation agreements and arrangements.

SAISL is the Supply Area Index factor for Swing Load to be established for each supply area in which Company has firm transportation entitlements used to transport its natural gas purchases and for which price postings are available. The five supply areas are TGT-SL (Texas Gas Transmission-Zone SL), TGT-1 (Texas Gas Transmission-Zone 1), TGPL-0 (Tennessee Gas Pipeline-Zone 0), and TGPL-1 (Tennessee Gas Pipeline-Zone 1), and TGC-ELA (Trunkline Gas Company-ELA).

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Vice President – Marketing & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

PBR

Experimental Performance Based Rate Mechanism (Continued)

The monthly SAISL for TGT-SL, TGT-1, TGPL-0, TGPL-1, and TGC-ELA shall be calculated using the following formula:

$$\text{SAISL}_i = I(i)$$

Where:

"I" represents each index reflective of both supply area prices and price changes throughout the month in these various supply areas.

"i" represents each supply area.

The index for each supply zone is as follows:

SAISL (TGT-SL)

I (1) is the average of the daily high and low Gas Daily postings for Louisiana-Onshore South Texas Gas Zone SL averaged for the month.

SAISL (TGT-1)

I (2) is the average of the daily high and low Gas Daily postings for East Texas – North Louisiana Area - Texas Gas Zone 1 averaged for the month.

SAISL (TGPL-0)

I (3) is the average of the daily high and low Gas Daily postings for Texas South – Corpus Christi – Tennessee, Zone 0.

SAISL (TGPL-1)

I (4) is the average of the daily high and low Gas Daily postings for Louisiana-Onshore South – 500 leg and – 800 leg average for the month.

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ATMOS ENERGY CORPORATION

PBR

Experimental Performance Based Rate Mechanism (Continued)

SAISL (TGC-ELA)

I (5) is the average of the daily high and low Gas Daily postings for Louisiana-Onshore South, Trunkline ELA.

DAISL is the Delivery Area Index factor for Swing Load to be established for purchases made by Company when Company has fully utilized its pipeline quantity entitlements on a daily basis and which are for delivery to Company's city gate from Texas Gas Transmission's Zone 2, 3 or 4, Tennessee Gas Pipeline's Zone 2, or Trunkline Gas Company's Zone 1B.

The monthly DAISL for TGT-2, 3, 4, TGPL-2, and TGC-1B shall be calculated using the following:

$$\text{DAISL} = \text{I}(1)$$

DAISL (TGT-2, 3, & 4), (TGPL-2) and (TGC-1B)

I (1) is the average of the daily high and low Gas Daily postings the Daily Price Survey for Dominion – South Point. (T)

TAAGCCSL represents Company's Total Annual Actual Gas Commodity Costs for Swing Load deliveries to Company's city gate and is equal to the total monthly actual gas commodity costs.

To the extent that TAAGCCSL exceeds TABGCCSL for the PBR period, then the GAIFSL Shared Expenses shall be computed as follows:

$$\text{GAIFSL Shared Expenses} = \text{TAAGCCSL} - \text{TABGCCSL}$$

To the extent that TAAGCCSL is less than TABGCCSL for the PBR period, then the GAIFSL Shared Savings shall be computed as follows:

$$\text{GAIFSL Shared Savings} = \text{TABGCCSL} - \text{TAAGCCSL}$$

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Vice President – Marketing & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

PBR

Experimental Performance Based Rate Mechanism (Continued)

TIF

TIF = Transportation Index Factor. The Transportation Index Factor shall be calculated by comparing the Total Annual Benchmark Transportation Costs (TABTC) of natural gas transportation services during the PBR period to the Total Annual Actual Transportation Costs (TAATC) applicable to the same period to determine if any shared expenses or shared savings exist.

The Total Annual Benchmark Transportation Costs (TABTC) are calculated as follows:

$$\text{TABTC} = \text{Annual Sum of Monthly BTC}$$

Where:

BTC is the Benchmark Transportation Costs which include both pipeline demand and volumetric costs associated with natural gas pipeline transportation services. The BTC shall be accumulated for the PBR period and shall be calculated as follows:

$$\text{BTC} = \text{Sum [BM (TGT) + BM (TGPL) + BM (TGC) + BM (PPL)]}$$

Where:

BM (TGT) is the benchmark associated with Texas Gas Transmission Corporation.

BM (TGPL) is the benchmark associated with Tennessee Gas Pipeline Company.

BM (TGC) is the benchmark associated with Trunkline Gas Company.

BM (PPL) is the benchmark associated with a proxy pipeline. This benchmark, which will be determined at the time of purchase, will be used to benchmark purchases of transportation capacity from non-traditional sources.

The benchmark associated with each pipeline shall be calculated as follows:

$$\text{BM (TGT)} = (\text{TPDR} \times \text{DQ}) + (\text{TPCR} \times \text{AV}) + \text{S\&DB}$$

$$\text{BM (TGPL)} = (\text{TPDR} \times \text{DQ}) + (\text{TPCR} \times \text{AV}) + \text{S\&DB}$$

$$\text{BM (TGC)} = (\text{TPDR} \times \text{DQ}) + (\text{TPCR} \times \text{AV}) + \text{S\&DB}$$

$$\text{BM (PPL)} = (\text{TPDR} \times \text{DQ}) + (\text{TPCR} \times \text{AV}) + \text{S\&DB}$$

Where:

TPDR is the applicable Tariffed Pipeline Demand Rate.

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ATMOS ENERGY CORPORATION

PBR
<p align="center">Experimental Performance Based Rate Mechanism (Continued)</p> <p>DQ is the Demand Quantities contracted for by the Company from the applicable transportation provider.</p> <p>TPCR is the applicable Tariffed Pipeline Commodity Rate.</p> <p>AV is the Actual Volumes delivered at Company's city gate by the applicable transportation provider for the month.</p> <p>S&DB represents Surcharges, Direct Bills and other applicable amounts approved by the Federal Energy Regulatory Commission (FERC). Such amounts are limited to FERC approved charges such as surcharges, direct bills, cashouts, take-or-pay amounts, Gas Supply Realignment and other Order 636 transition costs.</p> <p>The Total Annual Actual Transportation Costs (TAATC) paid by Company for the PBR period shall include both pipeline demand and volumetric costs associated with natural gas pipeline transportation services as well as all applicable FERC approved surcharges, direct bills included in S&DB, less actual capacity release credits. Such costs shall exclude labor related or other expenses typically classified as operating and maintenance expenses.</p> <p>To the extent that TAATC exceeds TABTC for the PBR period, then the TIF Shared Expenses shall be computed as follows:</p> $\text{TIF Shared Expenses} = \text{TAATC} - \text{TABTC}$ <p>To the extent that the TAATC is less than TABTC for the PBR period, then the TIF Shared Savings shall be computed as follows:</p> $\text{TIF Shared Savings} = \text{TABTC} - \text{TAATC}$ <p>Should one of the Company's pipeline transporters file a rate change effective during any PBR period and bill such proposed rates subject to refund, the period over which the benchmark comparison is made for the relevant transportation costs will be extended for one or more 12 month periods, until the FERC has approved final settled rates, which will be used as the appropriate benchmark. Company will not share in any of the savings or expenses related to the affected pipeline until final settled rates are approved.</p> <p align="center"><u>OSSIF</u></p> <p>OSSIF = Off-System Sales Index Factor. The Off-System Sales Index Factor shall be equal to the Net Revenue from Off-System Sales (NR).</p>

ISSUED: February 24, 2006

EFFECTIVE: June 1, 2006

(Issued by Authority of and Order of the Public Service Commission in Case No. 2005-00321 dated February 6, 2006).

ISSUED BY: Gary L. Smith

Vice President – Marketing & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

PBR

Experimental Performance Based Rate Mechanism (Continued)

Net Revenue is calculated as follows:

$$NR = OSREV - OOPC$$

Where:

OSREV is the total revenue associated with off-system sales and storage service transactions.

OOPC is the out-of-pocket costs associated with off-system sales and storage service transactions and shall be determined as follows:

$$OOPC = OOPC(GC) + OOPC(TC) + OOPC(SC) + OOPC(UGSC) + \text{Other Costs}$$

Where:

OOPC (GC) is the Out-of-Pocket Gas Costs associated with off-system sales transactions. For off-system sales utilizing Company's firm supply contracts, the OOPC (GC) shall be the incremental costs to purchase the gas available under Company's firm supply contracts. For off-system sales not using Company's firm supply contracts, the OOPC (GC) shall be the incremental costs to purchase the gas from other entities.

OOPC (TC) is the Out-of-Pocket Transportation Costs associated with off-system sales transactions. For off-system sales utilizing Company's firm transportation agreements, the OOPC (TC) shall be the incremental cost to use the transportation available under Company's firm supply contracts. For off-system sales not using Company's firm transportation agreements, the OOPC (TC) shall be the incremental costs to purchase the transportation from other entities.

OOPC (SC) is the Out-of-Pocket Storage Costs associated with off-system sales of storage. If this is gas in Company's own storage or gas stored with Tennessee Gas Pipeline it shall be priced at the average price of the gas in Company's storage during the month of sale. If this is gas from the storage component of Texas Gas's No-Notice Service, this gas shall be priced at the replacement costs.

OOPC (UGSC) is the Out-of-Pocket Underground Storage Costs associated with off-system sales of storage services. For the off-systems sales of storage services utilizing Company's on-system storage, the OOPC (UGSC) shall include incremental storage losses, odorization, and other fuel-related costs such as purification, dehydration, and compression. Such costs shall exclude labor-related expenses.

Other Costs represent all other incremental costs and include, but are not limited to, costs such as applicable sales taxes and excise fees. Such costs shall exclude labor-related or other expenses typically classified as operating and maintenance expenses.

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ISSUED BY: Gary L. Smith

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ATMOS ENERGY CORPORATION

PBR

Experimental Performance Based Rate Mechanism (Continued)

ACSP

ACSP = Applicable Company Sharing Percentage. The ACSP shall be determined based on the PTAGSC.

Where:

PTAGSC = Percentage of Total Actual Gas Supply Costs. The PTAGSC shall be the TPBRR stated as a Percentage of Total Actual Gas Supply Costs and shall be calculated as follows:

$$PTAGSC = TPBRR / TAGSC$$

Where:

TAGSC = Total Actual Gas Supply Costs. The TAGSC shall be calculated as follows:

$$TAGSC = TAAGCCBL + TAAGCCSL + TAATC$$

If the absolute value of the PTAGSC is less than or equal to 2.0%, then the ACSP of 30% shall be applied to TPBRR to determine CSPBR. If the absolute value of the PTAGSC is greater than 2.0%, then the ACSP of 30% shall be applied to the amount of TPBRR that is equal to 2.0% of TAGSC to determine a portion of CSPBR, and the ACSP of 50% shall be applied to the amount of TPBRR that is in excess of 2.0% of TAGSC to determine a portion of CSPBR. These two portions are added together to produce the total CSPBR.

BA

BA = Balance Adjustment. The BA is used to reconcile the difference between the amount of revenues billed or credited through the CSPBR and previous application of the BA and revenues which should have been billed or credited, as follows:

1. For the CSPBR, the balance adjustment amount will be the difference between the amount billed in a 12 month period from the application of the CSPBR and the actual amount used to establish the CSPBR for the period.
2. For the BA, the balance adjustment amount will be the difference between the amount billed in a 12-month period from the application of the BA and the actual amount used to establish the BA for the period.

Annual Reports

Atmos Energy shall file annual reports to the Kentucky Public Service Commission, describing activities and financial results under the PBR program. These reports shall be filed by August 31 of each calendar year, commencing in 2007.

Review

Within 60 days of the end of the third year of the four-extension, the Company will file an assessment and review of the PBR mechanism for the first three years of the extension period. In that report and assessment, the Company will make any recommended modifications to the PBR mechanism.

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ISSUED BY: Gary L. Smith

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FOR ENTIRE SERVICE AREA

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First Revised SHEET No. 38

Cancelling

Original SHEET No. 38

ATMOS ENERGY CORPORATION

Reserved for Future Use

(D)

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ISSUED: August 1, 2007

EFFECTIVE: August 1, 2007

(Issued by Authority of an Order of the Public Service Commission in Case No.2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin

Vice President Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Demand-Side Management Cost Recovery Mechanism	
DSM	
<p>1. <u>Applicable</u></p> <p>Applicable to Rate G-1 Sales Service, residential class only.</p> <p>The Distribution Charge under Residential Rate G-1 Sales Service, shall be increased or decreased for nine annual periods beginning January 2009 and continuing through December 31, 2011 by the DSM Cost Recovery Component (DSMRC) at a rate per Mcf in accordance with the following formula:</p> $\text{DSMRC} = \text{DCRC} + \text{DLSA} + \text{DIA} + \text{DBA}$ <p>Where:</p> <p>DCRC = DSM Cost Recovery-Current. The DCRC shall include all actual costs, direct and indirect, under this program which has been approved by the Commission. This includes all direct costs associated with the program including rebates paid under the program, the cost of educational supplies, and customer awareness related to conservation/efficiency. In addition, indirect costs shall include the costs of planning, developing, implementing, monitoring, and evaluating DSM programs. In addition, all costs incurred by or on behalf of the program, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the DCRC.</p> <p>DLSA = DSM Lost Sales Adjustment. To effectively promote and execute the program, the Company shall recover the annual lost sales attributable to customer conservation/efficiency created as a result of the Program. This aligns the Company's interest with that of its customers by reducing the correlation between volume and revenue for those customers who elect to participate in the program. The lost sales are the estimated conservation, per participant, times the base rate for the applicable customer. The goal is to make the Company whole for promoting the program. Lost sales are based on the cumulative lost sales since the program inception and will reset when the Company completes a general rate case</p>	<p>(T)</p> <p>(T)</p> <p>(T)</p> <p>(N)</p>

ISSUED: December 2, 2008

EFFECTIVE: September 2, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2008-00499 dated September 2, 2009)

ISSUED BY: Mark A. Martin Vice President, Rates & Regulatory Affairs/Kentucky/Mid-States Division

ATMOS ENERGY CORPORATION

Demand-Side Management Cost Recovery Mechanism		
DSM		
DIA =	DSM Incentive Adjustment. As a result of the program, the customers who participate in the program will save on their gas bills due to decreased usage, which results in decreased commodity charges. As an incentive for the Company to devote the necessary monetary and physical resources to promote and administer the program, the Company will earn a fifteen percent (15%) incentive based on the net resource savings of the Program participants.	(N)
	Net resource savings are defined as Program benefits less utility Program costs and participant costs where Program benefits will be calculated on the basis of the present value of Atmos' avoided commodity costs over the expected life of the Program. For the purpose of calculating the Program benefits, a ten year Program life is assumed with future gas costs over the ten-year period based on projection in the Department of Energy's <i>Annual Energy Outlook</i> . The present value is calculated based on Atmos' discount rate used for financial reporting purposes which is based on the rates of high-quality fixed-income investment.	
DBA =	DSM Balance Adjustment. The DBA shall be calculated on a calendar year basis and be used to reconcile the difference between the amount of revenues actually billed through the DSMRC and the revenues which should have been billed.	(T)
	The DBA for the upcoming twelve-month period shall be calculated as the sum of the balance adjustments for the DCRC, DLSA and DIA. For the DCRC, DLSA and DIA, the balance adjustment shall be the difference between the amount billed in a twelve-month period and the actual cost of the DSM Program during the same twelve-month period.	(T)
	The balance adjustment amounts calculated will include interest to be calculated at a rate equal to the average of "3-month Commercial Paper Rate" for the immediately preceding twelve-month period.	(D)
	The Company will file modifications to the DSMRC on an annual basis at least two months prior to the beginning of the effective upcoming twelve-month period for billing. This annual filing shall include detailed calculations of the DCRC, DLSA, DIA and the DBA, as well as data on the total cost of the DSM Program over the twelve-month period. The calculations plus interest shall be divided by the expected Mcf sales for the upcoming twelve-month period to determine the DSMRC.	(T)

ATMOS ENERGY CORPORATION

Demand-Side Management Cost Recovery Mechanism		
DSM		
<u>DSM Cost Recovery Component (DSMRC):</u>		
DSM Cost Recovery – Current:	\$0.0850 per Mcf	(I)
DSM Lost Sales Adjustment	\$0.0020 per Mcf	(N)
DSM Incentive Adjustment	\$0.0080 per Mcf	(N)
DSM Balance Adjustment:	<u>(\$0.0700) per Mcf</u>	(N)
DSMRC Residential Rate G-1	\$0.0250 per Mcf	(I)

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BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

FOR ENTIRE SERVICE AREA

P.S.C. NO. 1

First Revised SHEET No. 42

CANCELING

Original SHEET No. 42

ATMOS ENERGY CORPORATION

Research & Development Rider	(T)
R & D Unit Charge	
<p>Applicable: This rider applies to the distribution charge applicable to all gas transported by the Company other than Rate T-3 and T-4 Carriage Service.</p> <p>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.</p> <p>R&D Unit Charge @ \$0.0035 per 1,000 cubic feet</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>(T)</p> <p>(T)</p> <p>(T)</p> <p>(T)</p> <p>(T)</p>

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ISSUED BY: Mark A. Martin

Vice President Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Pipe Replacement Program Rider

PRP

(T)

1. Applicable

Applicable to all customers receiving service under the Company's Rate Schedules G-1, G-2, T-3 and T-4.

2. Calculation of Pipe Replacement Rider Revenue Requirement

The PRP Revenue Requirement includes the following:

- a) PRP-related Plant In-Service not included in base gas rates minus the associated PRP-related accumulated depreciation and accumulated deferred income taxes;
- b) Retirement and removal of plant related PRP construction;
- c) The rate of return on the net rate base is the overall rate of return on capital authorized in the Company's latest base gas rate case, grossed up for federal and state income taxes;
- d) Depreciation expense on the PRP equals related Plant In-Service less retirement and removals;
- e) Reduction for savings in Operating and Maintenance expenses; and,
- f) Adjustment for ad valorem taxes.

3. Pipe Replacement Program Factors

All customers receiving service under tariff Rate Schedules G-1, G-2, T-3 and T-4 shall be assessed an adjustment to their applicable rate schedule that will enable the Company to complete the pipe replacement program. The allocation to G-1 residential, G-1 non-residential, G-2, T-3 and T-4 will be in proportion to their relative base revenue share approved in Case No. 2009-00354. For G-1 services, the adjustment shall be reflected in full as a monthly adjustment to the tariff customer charge. For G-2, T-3 and T-4 services, the adjustment will be spread to the tariff customer charge and distribution charge in proportion to the relative base revenue share as approved in Case No. 2009-00354.

The PRP Rider will be filed annually on or around August 1st of each year. The filing will reflect the anticipated impact on the Company's revenue requirements of net plant additions as offset by operations and maintenance expense reductions during the upcoming fiscal year ending each September as well as a balancing adjustment for the preceding fiscal year. Such adjustment to the Rider will become effective with meter readings on and after the first billing cycle of October..

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ATMOS ENERGY CORPORATION

Pipe Replacement Program Rider

(T)

4. Pipe Replacement Rider Rates

The charges for the respective gas service schedules for the revenue month beginning October 1, 2010 per billing period are:

	<u>Monthly Customer Charge</u>	<u>Distribution Charge per Mcf</u>
Rate G-1 (Residential)	\$0.00	\$0.00
Rate G-1 (Non-Residential)	\$0.00	\$0.00
Rate G-2	\$0.00	\$0.00
Rate T-3	\$0.00	\$0.00
Rate T-4	\$0.00	\$0.00

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FOR ENTIRE SERVICE AREA

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Canceling

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ATMOS ENERGY CORPORATION

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Third Revised SHEET No. 46

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Second Revised SHEET No. 46

ATMOS ENERGY CORPORATION

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ATMOS ENERGY CORPORATION

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P.S.C. NO. 1

Fourth Revised SHEET No. 48

Canceling

Third Revised SHEET No. 48

ATMOS ENERGY CORPORATION

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Second Revised SHEET No. 49

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ATMOS ENERGY CORPORATION

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(D)

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P.S.C. NO. 1

First Revised Sheet No. 50

Canceling

Original Sheet No. 50

ATMOS ENERGY CORPORATION

Reserved for Future Use	(D)

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ATMOS ENERGY CORPORATION

Interruptible Transportation Service	
Rate T-3	
1. <u>Applicable</u>	
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. <u>Availability of Service</u>	
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.	(T)
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. <u>Net Monthly Rate</u>	
In addition to any and all charges assessed by other parties, there will be applied:	
a) Base Charge	- \$300.00 per delivery point (I)
b) Transportation Administration Fee	- 50.00 per customer per month (N)
c) <u>Distribution Charge for Interruptible Service</u>	
¹ First 15,000 Mcf	@ \$0.6500 per Mcf (I)
Over 15,000 Mcf	@ 0.4100 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 (Sheet No. 68).	
f) Pipe Replacement Program (PRP) Rider, referenced on Sheet No. 43.	(T)
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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ATMOS ENERGY CORPORATION

Interruptible Transportation Service	
Rate T-3	
4.	<p><u>Net Monthly Bill</u></p> <p>The Net Monthly Bill shall be equal to the sum of the Base Charge, the Transportation Administration Fee, and applicable Distribution Charge and Non-Commodity Component, applicable Pipe Replacement Program charges, and any applicable Electronic Flow Measurement (“EFM”) facilities charges (see Subsection 8 “Special Provisions” of this tariff.)</p>
5.	<p><u>Nominated Volume</u></p> <p>Definition: “Nominated Volume” or “Nomination” – The level of daily volume in Dth as requested by the customer to be transported and delivered by the Company. Such volume nominated by the Customer shall include an allowance for the Company’s system Lost and Unaccounted gas percentage as stated in the Company’s current Transportation tariff Sheet No. 6. The volumes delivered by the Customer to the Company for redelivery to the Customer’s facilities will be reduced to cover the related system Lost and Unaccounted gas quantities.</p> <p>Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period. Daily nominations shall not exceed the Customer’s Maximum Daily Quantity (MDQ). Maximum Daily Quantity means the maximum daily volume of gas, as determined by the Company based on Customer’s historical metered volumes, which a Customer under this Rate Schedule will be allowed to nominate and have delivered into the Company’s system for the Customer’s account. In the event historical data is not available, the Company will determine the MDQ based on data provided by the customer. Once historical data becomes available the MDQ will be revised.</p>

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ATMOS ENERGY CORPORATION

Interruptible Transportation Service

Rate T-3

6. Imbalances

The Company will calculate, on a monthly basis, the customer's Imbalance resulting from the differences that occur between the volume that the customer had nominated into the Company's facilities and the volume the Company delivered to the customer's facilities plus an allowance for system Lost and Unaccounted gas quantities.

$$\text{Imbalance} = \text{Dth}_{\text{Customer}} - \text{Dth}_{\text{Company}}$$

Where:

1. "Dth_{Customer}" are the total volumes that the customer had delivered to the Company's facilities. For the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation tariff Sheet No. 6. (T)

2. "Dth_{Company}" are the volumes the Company delivered into customer's facilities, however, the Company will adjust the Imbalance, if at the Company's request, the customer did not take deliveries of the volumes the customer had delivered to the Company's facilities.

The Imbalance volumes will be resolved by use of the following procedure: (T)

- a) If the Imbalance is negative and the Imbalance volumes were approved by the Company, then the customer will be billed for the Imbalance volumes at the rates described in the following "cash out" method in item b)

If the Imbalance is positive, then the Company will purchase the Imbalance volumes in excess of "parked" volumes from the customer at the rates described in the following "Cash out" method in item (b).

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ATMOS ENERGY CORPORATION

Interruptible Transportation Service			
Rate T-3			
b) "Cash out" Method			
<u>Imbalance volumes</u>		<u>Negative Imbalances Cash-out Price</u>	<u>Positive Imbalances Cash-Out Prices</u>
First ¹ 5% of Dth Customer	@	100% of Index Price ²	@100% of Index Price (T)
Next ¹ 5% of Dth Customer	@	110% of Index Price ²	@90% of Index Price (T)
Over ¹ 10% of Dth Customer	@	120% of Index Price ²	@80% of Index Price (T)
 ¹ Not to exceed the Imbalance volumes			
 ² The index price will equal the effective "Cash out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.			
c) Customer will be reimbursed for all pipeline transportation commodity charges applying to cash out volumes. However, the reimbursement will not exceed pipeline transportation commodity charges the Company would have incurred to transport the "Cash Out" volumes.			
d) In addition to other tariff penalty provisions, the customer shall be responsible for any incremental charges assessed by the pipeline(s) and/or suppliers resulting from the customer's failure to match volumes that the customer had delivered to the Company's facilities with volumes the Company delivered into customer's facilities.			
e) Customer may, by written agreement with the Company, arrange to "park" positive imbalance volumes, up to 10% of "Dth Company", on a monthly basis at \$0.10/Dth per month. The parking service will be provided on a "best efforts" basis by the Company. Parked volumes will be deemed "first through the meter" delivered to the Customer in the month following delivery to the Company on the Customer's account.			
7. <u>Curtailment</u>			
a) The Company shall have the right at any time without liability to the customer to curtail or to discontinue the delivery of gas entirely to the customer for any period of time when such curtailment or discontinuance is necessary to protect the requirements of domestic and commercial customers; to avoid an increased maximum daily demand in the Company's gas purchases; to avoid excessive peak load and demands upon the gas transmission or distribution system; to relieve			

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FOR ENTIRE SERVICE AREA

P.S.C. NO. 1

Second Revised SHEET No. 55

Canceling

First Revised SHEET No. 55

ATMOS ENERGY CORPORATION

Interruptible Transportation Service

Rate T-3

system capacity constraints; to comply with any restriction or curtailment of any governmental agency having jurisdiction over the Company or its supplier or to comply with any restriction or curtailment as may be imposed by the Company's supplier; to protect and insure the operation of the Company's underground storage system; for any causes due to force majeure (which includes acts of God; strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.

- b) All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailment Order" as contained in Section 35 of its Rules and Regulations as filed with and approved by the Public Service Commission.
- c) In the event a customer fails in part or in whole to comply with a Company Curtailment Order either as to time or volume of gas used or uses a greater quantity of gas than its allowed volume under terms of the Curtailment Order, the Company may, at its sole discretion, apply a penalty rate of up to \$15.00 per Dth. In addition to other tariff penalty provisions, the customer shall be responsible for any incremental charges assessed by the pipeline(s) or supplier(s) resulting from the customer's failure to match volumes that the customer had delivered to the Company's facilities with volumes the Company delivered into customer's facilities

(T)

8. Special Provisions

It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which will be required as a result of receiving service under this Interruptible Transportation Service Rate T-3. Electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communications support services related to the EFM equipment. Customers required to install EFM may elect the optional monthly EFM facilities charge (Sheet No. 68). NOTE: Customers utilizing this service as of July 1, 2007, whose contractual requirements with the Company are less than 100 Mcf/day, are not required to have EFM equipment; however, such customers may, at their option, elect to install EFM equipment under the same provisions set forth above.

No gas delivered under this rate schedule and applicable contract shall be available for resale to anyone other than an end-user for use as a motor vehicle fuel.

Refer to Sheet No. 67.1 for the option of participating in a Transportation Pooling Service.

ISSUED: September 9, 2008

EFFECTIVE: November 1, 2008

(Issued by Authority of an Order of the Public Service Commission in Case No.2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin

Vice President - Rates & Regulatory Affairs/Kentucky/Mid-States Division

ATMOS ENERGY CORPORATION

Interruptible Transportation Service

Rate T-3

9. Terms and Conditions

- a) Specific details relating to volume, delivery point and similar matters may be covered by a separate written contract or amendment with the customer.
- b) The Company will not be obligated to deliver a total supply of gas to the customer in excess of the customer's maximum daily transportation volumes. The Company has no obligation under this tariff to provide any sales gas to the customer.
- c) It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas under this Interruptible Transportation Service Rate to the facilities of the Company.
- d) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.
- e) The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Transportation Service Rates and all contracts and amendments there under.
- f) In the event the customer loses its gas supply, it may be allowed a reasonable time in which to secure replacement volumes (up to the contract daily transportation quantity), subject to provisions of Section 5 of this tariff.

A "reasonable time" will be, except when precluded by operational constraints, matched to the make-up grace period by the respective interstate pipeline transporter.

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999).

ISSUED BY: Mark A. Martin Vice President - Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Interruptible Transportation Service

Rate T-3

- g) The customer will be solely responsible to correct, any imbalances it has caused on the applicable pipeline's system.

10. Late Payment Charge

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

ISSUED: August 9, 2002

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(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Interruptible Transportation Service

Rate T-3

11. Alternative Fuel Responsive Flex Provisions

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.

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

ISSUED BY: William J. Senter

Vice President -Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

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 - \$300.00 per delivery point (I)
- b) Transportation Administration Fee - 50.00 per customer per month (N)
- c) Distribution Charge for Firm Service
 - First 300 Mcf @ \$1.2000 per Mcf (I)
 - Next 14,700 Mcf @ 0.7715 per Mcf (I)
 - Over 15,000 Mcf @ 0.5027 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 charges, if applicable (Sheet No. 68).
- f) Pipe Replacement Program (PRP) Rider, referenced on Sheet No. 43. (T)

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. (T)

ISSUED: October 30, 2009

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ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

ATMOS ENERGY CORPORATION

Firm Transportation Service	
Rate T-4	
4.	<u>Net Monthly Bill</u> The Net Monthly Bill shall be equal to the sum of the Base Charge, the Transportation Administration Fee, and applicable Distribution Charge and Non-Commodity Component, and any applicable Electronic Flow Measurement ("EFM") facilities charges (see subsection 8 "Special Provisions" of this tariff.)
5.	<u>Nominated Volume</u> Definition: "Nominated Volume" or "Nomination" – The level of daily volume in Dth as requested by the customer to be transported and delivered by the Company. Such volume nominated by the Customer shall include an allowance for the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation tariff Sheet No. 6. The volumes delivered by the Customer to the Company for redelivery to the Customer's facilities will be reduced to cover the related system Lost and Unaccounted gas quantities. (T) Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period. Daily nominations shall not exceed the Customer's Maximum Daily Quantity (MDQ). Maximum Daily Quantity means the maximum daily volume of gas, as determined by the Company based on Customer's historical metered volumes, which a Customer under this Rate Schedule will be allowed to nominate and have delivered into the Company's system for the Customer's account. In the event historical data is not available, the Company will determine the MDQ based on data provided by the customer. Once historical data becomes available the MDQ will be revised. (T)

ISSUED: October 30, 2009

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(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354)

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

ATMOS ENERGY CORPORATION

Firm Transportation Service

Rate T-4

6. Imbalances

The Company will calculate, on a monthly basis, the customer's Imbalance resulting from the differences that occur between the volume that the customer had nominated into the Company's facilities and the volume the Company delivered to the customer's facilities plus an allowance for system Lost and Unaccounted gas quantities.

$$\text{Imbalance} = \text{Dth}_{\text{Customer}} - \text{Dth}_{\text{Company}}$$

Where:

1. "Dth_{Customer}" are the total volumes that the customer had delivered to the Company's Facilities, such volume nominated by the Customer shall include an allowance For the Company's system Lost and Unaccounted gas percentage as stated in The Company's current Transportation tariff Sheet No. 6.
2. "Dth_{Company}" are the volumes the Company delivered into customer's facilities, however, the Company will adjust the Imbalance, if at the Company's request, the customer did not take deliveries of the volumes the customer had delivered to the Company's facilities.

The Imbalance volumes will be resolved by use of the following procedure:

- a) If the Imbalance is negative and the Imbalance volumes were approved by the Company, then the customer will be billed for the Imbalance volumes at the rates described in the following "cash out" method in item b). (T)

If the Imbalance is positive, then the Company will purchase the Imbalance volumes in excess of "parked" volumes from the customer at the rates described in the following "Cash out" method in item (b).

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ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

ATMOS ENERGY CORPORATION

Firm Transportation Service			
Rate T-4			
b) "Cash out" Method			
<u>Imbalance volumes</u>		<u>Negative Imbalances Cash-out Price</u>	<u>Positive Imbalances Cash-Out Prices</u>
First ¹ 5% of Dth _{Customer}	@	100% of Index Price ²	@100% of Index Price (T)
Next ¹ 5% of Dth _{Customer}	@	110% of Index Price ²	@90% of Index Price (T)
Over ¹ 10% of Dth _{Customer}	@	120% of Index Price ²	@80% of Index Price (T)
¹ Not to exceed the Imbalance volumes			
² The index price will equal the effective "Cash out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.			
c) Customer will be reimbursed for all pipeline transportation commodity charges applying to cash out volumes. However, the reimbursement will not exceed pipeline transportation commodity charges the Company would have incurred to transport the "Cash Out" volumes.			
d) In addition to other tariff penalty provisions, the customer shall be responsible for any incremental charges assessed by the pipeline(s) or supplier(s) resulting from the customer's failure to match volumes that the customer had delivered to the Company's facilities with volumes the Company delivered into customer's facilities.			
e) Customer may, by written agreement with the Company, arrange to "park" positive imbalance volumes, up to 10% of "Dth _{Company} ", on a monthly basis at \$0.10/Dth per month. The parking service will be provided on a "best efforts" basis by the Company. Parked volumes will be deemed "first through the meter" delivered to the Customer in the month following delivery to the Company on the Customer's account.			

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ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

ATMOS ENERGY CORPORATION

Firm Transportation Service

Rate T-4

7. Curtailement

- a) All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailement Order" as contained in Section 35 of its Rules and Regulations as filed with and approved by the Public Service Commission and for any causes due to force majeure (which includes acts of God; strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.
- b) In the event a customer fails in part or in whole to comply with a Company Curtailement Order either as to time or volume of gas used or uses a greater quantity of gas than its allowed volume under terms of the Curtailement Order, the Company may, at its sole discretion, apply a penalty rate of up to \$15.00 per Dth. In addition to other tariff penalty provisions, the customer shall be responsible for any incremental charges assessed by the pipeline(s) or supplier(s) resulting from the customer's failure to match volumes that the customer had delivered to the Company's facilities with volumes the Company delivered into customer's facilities

8. Special Provisions

It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which will be required as a result of receiving service under this Firm Transportation Service Rate T-4. Electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communications support services related to the EFM equipment. Customers required to install EFM may elect the optional monthly EFM facilities charges (Sheet No. 68). NOTE: Customers utilizing this service as of July 1, 2007, whose contractual requirements with the Company are less than 100 Mcf/day, are not required to have EFM equipment; however, such customers may, at their option, elect to install EFM equipment under the same provisions set forth above.

No gas delivered under this rate schedule and applicable contract shall be available for resale to anyone other than an end-user for use as a motor vehicle fuel.

Refer to Sheet No. 67.1 for the option of participating in a Transportation Pooling Service.

(T)

ISSUED: October 30, 2009

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ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

ATMOS ENERGY CORPORATION

Firm Transportation Service
Rate T-4
<p>9. <u>Terms and Conditions</u></p> <ul style="list-style-type: none">a) Specific details relating to volume, delivery point and similar matters may be covered by a separate written contract or amendment with the customer.b) The Company will not be obligated to deliver a total supply of gas to the customer in excess of the customer's maximum daily transportation volumes. The Company has no obligation under this tariff to provide any sales gas to the customer.c) It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas under this Firm Transportation Service Rate to the facilities of the Company.d) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.e) The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Transportation Service Rates and all contracts and amendments there under.f) In the event the customer loses its gas supply, it may be allowed a reasonable time in which to secure replacement volumes (up to the contract daily transportation quantity), subject to provisions of Section 5 of this tariff. A "reasonable time" will be, except when precluded by operational constraints, matched to the make-up grace period by the respective interstate pipeline transporter.g) The customer will be solely responsible to correct, or cause to be corrected, any imbalances it has caused on the applicable pipeline's system.

(T)

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(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354).

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

ATMOS ENERGY CORPORATION

Firm Transportation Service

Rate T-4

(T)

10. Late Payment Charge

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

11. 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.

ISSUED: October 30, 2009

EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-0354)

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

ATMOS ENERGY CORPORATION

Alternate Receipt Point Service

Rate T-5

1. Applicable

Entire service area of the Company to any customer, subject to limitations noted below, for that portion of the customer's Rate T-2 transportation or carriage service (Rate T-3 or Rate T-4) requirements.

2. Availability of Service

- a) Available, subject to restrictions noted below, to any customer utilizing transportation or carriage services, on an individual service at the same premise, who has purchased its own supply of natural gas and requests delivery to the Company at a receipt point other than the Company's interconnection with the pipeline, or supplier immediately upstream of customer's premises, or the receipt point designated as the primary receipt point in such customer's contract with the Company.
- b) The alternate receipt point through which service is requested must be physically accessible via the Company's existing pipeline system upstream of the delivery point to the customer's facilities.
- c) The Company shall determine the portions of its system to which access may be granted to a specific Alternate Receipt Point.
- d) Access to certain alternate receipt points may be limited or restricted altogether by the Company.
- e) Availability of service is contingent upon the Company's determination that such service is available through existing facilities.
- f) The Company may decline to initiate service to a customer under this tariff, if in the Company's 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, and in addition to the charges applicable to Customer associated with their Rate T-2 transportation or Rate T-4 carriage service requirements, the following supplemental administrative charge will be applied during months in which volumes are received and transported from the Alternate Receipt Point:

- a) Administrative Charge @ \$50.00 per month

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Alternate Receipt Point Service
Rate T-5
<p>The administrative fee is waived if, during the month, the Alternate Receipt Point represents the only point of receipt utilized by the customer.</p>
<p>4. <u>Imbalances</u></p> <ul style="list-style-type: none">a) Volumes delivered by the Company under the Alternate Receipt Point service may be subjected to imbalance restrictions additional to those specified in the transportation (Rate T-3 or Rate T-4) tariffs. (T)b) Parking allowances for volumes delivered under the Alternate Receipt Point service may be limited or restricted altogether, at the Company's judgment.
<p>5. <u>Terms and Conditions</u></p> <ul style="list-style-type: none">a) Volumes under the Alternate Receipt Point service are received for redelivery by the Company on a strictly interruptible basis.b) The Company is not responsible for any costs incurred by the customer in its arrangement for gas supply or capacity to the Alternate Receipt Point.c) Specific details relating to volume, receipt point(s) and similar matters shall be covered by a separate written contract or amendment with the customer.d) Other than provisions referenced herein, or as more specifically set forth in the contract or amendment with the customer, all provisions of the customer's transportation (Rate T-3 or Rate T-4) tariffs shall apply. (T)

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ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

ATMOS ENERGY CORPORATION

Transportation Pooling Service

(T)

Rate T-6

1. Applicable

Entire service area of the Company to any customer, subject to limitations noted below, for that portion of the customer's Rate T-2 transportation or carriage service (Rate T-3 or Rate T-4) requirements.

2. Terms and Conditions

- a) For the purpose of this section, a Pool Manager is defined as an entity which has been appointed by a customer or group of customers served under this rate schedule to perform the functions and responsibilities of requesting information, nominating supply, and other related duties. The Pool Manager shall have all of the rights under this Transportation Pooling Service and the companion rate schedules (i.e.T-3, T-4) as does a Customer transporting gas supply. (T)
- b) The Pool Manager will be responsible for arranging for volumes of transportation gas to meet the daily and monthly requirements of customers in the pool. The cash out provisions and/or any daily scheduling provisions of rate schedule T-4 shall be applied against the aggregate volume of all customers in a specific pool. The Pool Manager will be responsible for the payment of any monthly cash out payments, scheduling fees and any penalties incurred by a specific pool.
- c) The Company, at its sole discretion, shall establish pooling areas by Connecting Pipeline, Pipeline zone, Company receipt point, geographic area, operational area, companion rate schedule (i.e. T-3 and T-4), administrative or other appropriate parameters. (T)
- d) No customer shall participate in a Pool that does not individually meet the availability conditions of this rate schedule or the applicable T-3 or T-4 tariffs, and no customer shall participate in more than one pool concurrently. Customers must have EFM and must utilize the Company's electronic nomination system to qualify for this pooling service. (T)
- e) To receive service hereunder, the Pool Manager shall enter into a Pool Management Agreement with Company and shall submit an Agency Authorization Form for each member of the pool, signed by both Customer and its Pool Manager.
- f) The Pool Manager shall submit a signed Pool Management Agreement and an Agency Authorization Form for each member of the pool at least 30 days prior to the beginning of a billing period when service under this rate schedule shall commence. A customer who terminates service under this rate schedule or who desires to change Pool Managers shall likewise provide Company with a written notice at least 30 days prior to the end of a billing period.

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(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354)

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 67.2
Canceling
Original SHEET No. 67.2

ATMOS ENERGY CORPORATION

Transportation Pooling Service	(T)
Rate T-6	
<p>g) The Pool Manager shall upon request of the Company agree to maintain a cash deposit, a surety bond, an irrevocable letter of credit, or such other financial instrument satisfactory to Company in order to assure the Pool Manager's performance of its obligations under the Pool Management Agreement. In determining the level of the deposit, bond, or other surety to be required of the Pool Manager, the Company shall consider such factors, including, but not limited to, the following: the volume of natural gas to be transported on behalf of the Pool members, the general credit worthiness of the Pool Manager, and the Pool Managers prior credit record with the Company, if any. In the event that the Pool Manager defaults on its obligations under this rate schedule or the Pool Management Agreement, the company shall have the right to use such cash deposit, or proceeds from such bond, irrevocable letter of credit, or other financial instrument to satisfy the Pool Manager's obligation hereunder. Specific terms and conditions regarding credit requirements shall be included in the Pool Management Agreement. Such credit requirements shall be administered by the Company in a non-discriminatory manner, and such credit requirements may change as the requirements of the pool change.</p> <p>h) The Pool Manager shall notify the Company in writing of any changes in the composition of the pool at least 30 days prior to the beginning of the first billing period that would apply to the modified pool.</p> <p>i) The Pool Management Agreement will be terminated by the Company upon 30 days written notice if a Pool Manager fails to meet any condition of this rate schedule. The Pool Management Agreement will also be terminated by the Company upon 30 days written notice if the Pool Manager has payments in arrears. Written notice of termination of the Pool Management Agreement shall be provided both to the Pool Manager and to the individual members of the pool by the Company.</p> <p>j) Company shall directly bill the Pool Manager for the monthly cash out charges, penalties, or other payments contained in this rate schedule. The monthly bill will be due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.</p> <p>k) Company shall directly bill the individual customers in the pool for all charges as specified in their contract in accordance with the tariff under which their service is provided.</p>	

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EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354)

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

FOR ENTIRE SERVICE AREA

P.S.C. NO. 1

First Revised SHEET No. 68

CANCELING

Original SHEET No. 68

ATMOS ENERGY CORPORATION

Special Charges			
<u>Service</u>	<u>After Hours</u>	<u>Regular</u>	
Meter Set*	\$44.00	\$34.00	(L,I)
Turn-on*	28.00	23.00	(L,I)
Read	14.00	12.00	
Reconnect Delinquent Service	47.00	39.00	(L,I)
Seasonal Charge	73.00	65.00	
Special Meter Reading Charge	N/A	No Charge	
Meter Test Charge	N/A	20.00	
Returned Check Charge	N/A	25.00	(N,I)
Late Payment Charge (Rate G-1 only)		5%	
Optional Facilities Charge for Electronic Flow Measurement ("EFM") equipment			
- Class 1 EFM equipment (less than \$7,500, including installation costs)		75.00 per mo.	(R)
- Class 2 EFM equipment (more than \$7,500, including installation costs)		175.00 per mo.	(R)
* Waived for qualified low income applicants ("LIHEAP participants")			

ISSUED: August 1, 2007

EFFECTIVE: August 1, 2007

(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin

Vice President Regulatory Affairs/Kentucky Division

FOR ENTIRE SERVICE AREA

P.S.C. NO. 1

Second Revised SHEET No. 69

Cancelling

First Revised SHEET No. 69

ATMOS ENERGY CORPORATION

Reserved for Future Use

(D)

ISSUED: April 10, 2003

EFFECTIVE: May 2, 2003

ISSUED BY: Gary L. Smith Vice President -- Marketing & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Rules and Regulations

1. Commission's Rules and Regulations

All gas service rendered by the Company shall be in accordance with the Kentucky Public Service Commission (Commission) law and the acts, rules, regulations and forms which have been adopted by the Public Service Commission of Kentucky and all amendments and modification which may be made by the Commission. In the event of a conflict between Commission law or regulations and a following Company rule the Commission regulation will control, unless the Company rule was approved by the Commission.

2. Company's Rules and Regulations

In addition to the Rules and Regulations prescribed by the Commission, all gas service rendered shall also be in accordance with the following Company Rules and Regulations adopted by the Company. The following rules are part of the Contract between the Company and each Customer.

3. Application for Service

Applications for service may be made at the Company's local office either in person, or by telephone. The application for service is not complete until the applicant has fulfilled all applicable tariff eligibility requirements and complied with these rules. A separate application or contract shall be made for each class of service at each separate location.

In cases where unusual circumstances or equipment expense is necessary to furnish the service, the Company may require a contract for a minimum period of one (1) year.

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter


Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Rules and Regulations

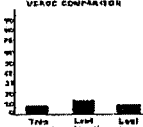
4. Billings

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



Emergency Telephone 1-888-222-3333
 Customer Service 1-888-383-7424
 atmosenery.com

Customer Name: JOHN DOE
 Customer Number: 00033452
 SVC Address: 8481 S ROCKBRIDGE ST
 MADISONVILLE KY
 Account Number: 40-00601914-0230746-3
 Meter Serial Number: 0730327
 Billing Date: 07/26/02



DATE OF SERVICE		METER READING	
FROM	TO	PREVIOUS	PRESENT
06/24/02	07/23/02	00002402	00003907

RATE CODE: 1 42WR
 EST CCF USAGE: 00000000005
 PRESSURE FACTOR: 000000000

PREVIOUS BALANCE:	81.80
ADJUSTMENT TOTAL:	-211.30
ADJUST GAS CHARGES (+)	-211.30
CURRENT GAS CHARGE TOTAL	23.51
CUSTOMER CHARGE	20.00
DISTRIBUTION CHARGE	0.80
\$ @ .11921/GCF	2.22
GAS COST CHARGE @ .44327/GCF	-187.87
CURRENT CHARGES	-128.80
CREDIT BALANCE	

IMPORTANT MESSAGES:
 Our budget billing plan is a GREAT way for you to even out monthly gas payments. Based on previous usage, our plan avoids the high and low you would normally experience by setting an average amount for you to pay each month. For more information on budget billing, call us at 1-888-383-7424 or visit www.atmosenery.com and click on the 'customer service' icon.

YOUR ACCOUNT SHOWS A CREDIT BALANCE



Account Number: 40-00601914-0230746-3

To update your address, check here and complete the form on the back

JOHN DOE
 8481 S ROCKBRIDGE ST
 MADISONVILLE, KY 42431

Prior Amount Due	Total Amount Due	Due Date
\$ 81.80	\$ 0.00	08/14/02

Amount Enclosed: \$

Thank you.
 ATMOS ENERGY
 PO BOX 640064
 DALLAS, TX 75265-0064

Please return this portion with your payment. Include your account number on your check or money order. If paying in person, please bring this BIL.

*** ACCOUNT HAS CREDIT BALANCE ***

- | | |
|---|---|
| 1. Class of Service (Please See Sheet No. 7) | 6. Net Amount for Service Rendered |
| 2. Present and last Preceding Meter Reading | 7. Any Adjustments |
| 3. Date of Present Reading | 8. Gross Amount of Bill – Not Applicable to Residential Service |
| 4. Number of Units Consumed | 9. Date After Which a Penalty May Apply |
| 5. Meter Constant if Any– Not Applicable to Residential Service | 10. Indicates an Estimated or Calculated Bill |

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

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Rules and Regulations

- b) A conversion factor will be shown on the billing form when the basis of measurement for meter registration is different from the billing basis of measurement.
- c) The Company will read customer meters at least every two months, except during the months of November through April during which time meters will be read monthly unless prevented by reasons beyond the Company's control. However, customer-read meters shall be read by the Company at least once during each calendar year. Records shall be kept by the Company to insure that this information is available to Commission staff and any customer requesting this information. If, due to reasons beyond its control, the Company is unable to read a meter in accordance with this subsection, the Company shall record the date and time the attempt was made, if applicable, and the reason the Company was unable to read the meter.
- d) The gas consumed shall be measured by a meter or meters to be installed by the Company upon the customer's premises at a point most accessible or convenient for the Company. Except where multiple meters were installed at the Company's option each meter on the customer's premises shall be considered separately in calculating the amount of any bills. Meters include all measuring instruments and equipment.
- e) Monthly consumption of unmetered gas used for an outdoor gas light, as approved by the Company, will be calculated to be 2,000 cubic feet per month per mantle for upright mantles and for each pair of inverted mantles. On special models of gas lights where gas consumption is greater than those referred to above, the Company shall estimate the monthly consumption to the closest 100 cubic feet and bill customers that equal amount each month. Such consumption shall be billed under the appropriate rate applicable to the customer.
- f) Bills for gas service will be rendered monthly unless otherwise specified. Bills are due upon rendition and the past due date will be shown on the bill.

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Rules and Regulations

- g) When the Company is unable to read the meter after a reasonable effort, or where the meter fails to operate, the customer will be billed on an estimated basis at the average of three (3) immediately preceding months, or similar months of utilization, and the billing adjusted as necessary when the meter is read.

5. Deposits

- a) The Company may require from any customer a minimum cash deposit or other guaranty to secure payment of bills, except from those customers qualifying for service reconnection under Section 12 of these Rules and Regulations. The amount of a cash deposit shall not exceed two-twelfths (2/12) of the estimated annual bill of a customer who is to be billed on a monthly basis, three-twelfths (3/12) where bills are rendered bimonthly, or four-twelfths (4/12) where bills are rendered quarterly. If actual usage data is available for the customer at the same or similar premises, the deposit amount shall be calculated using the customer's average bill for the most recent twelve (12) month period. If actual usage data is not available, the deposit amount shall be based on the average bills of similar customers and premises in the system.
- b) A deposit will be required from a customer or applicant who:
1. Lacks a satisfactory credit or payment history.
 2. Was previously terminated due to non-payment for natural gas service.
 3. Is not the property owner (a renter of the premises to be served).
 4. Is requesting service for a mobile home.
- c) If a customer has been late on two (2) or more payments in the last twelve (12) months and does not have a deposit on file with the Company, the Company may require that a deposit be made.
- d) If a substantial change in usage has occurred, the Company may require that an additional deposit be made. No additional or subsequent deposit shall be required of residential customers whose payment record is satisfactory, unless the customer's classification of service changes.

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Rules and Regulations

- e) The Company will issue to every customer from whom a deposit is collected a receipt of deposit. The receipt will show the name of the customer, location of the service or customer, account number, date, and amount of deposit. If the deposit amount changes, the Company will issue a new receipt of deposit to the customer.
- f) Except for Winter Hardship Reconnections (as provided by Section 12 of these Rules and Regulations) customer service may be refused or discontinued if payment of requested deposit is not made.
- g) Interest will accrue on all deposits at a rate prescribed by law, beginning on the date of deposit. Interest accrued will be refunded to the customer or credited to the customer's bill on an annual basis, except that the Company will not be required to refund or credit interest on deposits if the customer's bill is delinquent on the anniversary of the deposit date. If interest is paid or credited to the customer's bill prior to twelve (12) months from the date of deposits, the payment or credit shall be on a prorated basis. Upon termination of service, the deposit, any principal amounts, and interest earned and owing will be credited to the final bill with any remainder refunded to the customer.

When a deposit is required from a customer it will be held for twelve (12) months, or until service is discontinued, unless one of the following has occurred: (a) service has been terminated for non-payment of services or (b) the customer has been late on two (2) or more payments in the last twelve (12) months.

6. Special Charges

The Company may make special nonrecurring charges, approved by the Commission, to recover customer-specific costs incurred to benefit specific customers. Listed below are the special charges included in the Company's tariff and a short description of the related service performed or action taken by the Company. See the Special Charges, Sheet No. 68 for the amount of the charge.

- a) **Meter Set.** A meter set charge may be assessed for a new service or re-set, or temporary service.
- b) **Turn On.** A turn on charge may be assessed for connecting service which has been terminated or idle at a given premises for reasons other than nonpayment of bills or violation of the Company or Commission regulations.

ISSUED: August 9, 2002

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(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs/Kentucky Division

FOR ENTIRE SERVICE AREA

P.S.C. NO. 1

Original SHEET No. 75

ATMOS ENERGY CORPORATION

Rules and Regulations

- c) Read. A read charge may be assessed for the establishment of new service where only a meter read is required.
- d) Reconnect Delinquent Service. A reconnect delinquent service charge may be assessed to reconnect a service which has been terminated for nonpayment of bills or violation of the Company or Commission regulations. Customers qualifying for service reconnection under Section 12 of these Rules and Regulations shall be exempt from reconnect charges.
- e) Seasonal Charge. A seasonal charge may be assessed when the customer's service has been disconnected at his request and at any time subsequently within (12) months is reconnected at the same or any other premises.
- f) After Hours Charge. An additional charge shall be applied to any special service activity, including reconnects for delinquent service, initiated at the customer's request outside normal business hours such as at night, on weekends or holidays. The Company shall advise the customer of the applicable after hours charge upon initiation of the service request and offer the customer the alternative to perform the requested activity during normal business hours, including reconnects for delinquent service, as a means to avoid the after hours charge.
- g) Special Meter Reading Charge. This charge may be assessed when a customer requests that a meter be reread and the second reading shows that the original reading was correct. No charge shall be assessed if the original reading was incorrect. This charge may also be assessed when a customer who reads his own meter fails to read the meter for three (3) consecutive months, and it is necessary for a Company representative to make a trip to read the meter.

(No such charge may be assessed until the amount of the charge is approved or otherwise accepted by the Commission).
- h) Meter Resetting Charge. A charge may be assessed for resetting a meter if the meter has been removed at the customer's request.
- i) Meter Test Charge. This charge may be assessed if a customer requests the meter be tested pursuant to Section 13 and 807 KAR 5:006, section 18, and the tests show the meter is not more than two (2) percent fast. No charge shall be made if the test shows the meter is more than two (2) percent fast.

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Rules and Regulations

- j) Returned Check Charge. A returned check charge may be assessed if a check accepted for payment of a Company bill is not honored by the customer's financial institution.
- k) Late Payment Charge. A late payment charge may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received will first be applied to the bill for services rendered. Additional penalty charges will not be assessed on unpaid penalty charges.

7. Customer Complaints to the Company

Upon complaint to the Company by a customer at the Company's office, by telephone, or in writing, the Company will make a prompt and complete investigation and advise the complainant of its findings. If a written complaint or a complaint made in person at the Company's office is not resolved, the Company will provide written notice to the complainant of his right to file a complaint with the Commission, and will provide him with the address and telephone number of the Commission. If a telephone complaint is not resolved, the Company will provide at least oral notice to the complainant of his right to file a complaint with the Commission and the address and telephone number of the Commission.

8. Bill Adjustments

- a) If upon periodic test, request test, or complaint test, a meter in service is found to be more than two (2) percent fast, additional tests shall be made to determine the average error of the meter. The test will be made in accordance with Commission regulations applicable to the type of meter involved.

ISSUED: August 9, 2002

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(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Rules and Regulations

- b) If test results on a customer's meter show an average error greater than two (2) percent fast or slow, or if a customer has been incorrectly billed for any other reason, except in an instance where the Company has filed a verified complaint with the appropriate law enforcement agency alleging fraud or theft by a customer, the Company will immediately determine the period during which the error has existed and will recompute and adjust the customer's bill. The adjustment will provide either a refund to the customer or collect an additional amount of revenue from the underbilled customer. The Company will readjust the account based upon the period during which the error is known to have existed. If the period during which the error existed cannot be determined with reasonable precision, the time period will be estimated using such data as elapsed time since the last meter test, if applicable, and historical usage data for the customer. If that data is not available, the average usage of similar customer loads shall be used for comparison purposes in calculating the time period. If the customer and the Company are unable to agree on an estimate of the time period during which the error existed, the Commission will determine the issue. In all instances of customer overbilling the customer's account will be credited or the overbilled amount refunded at the discretion of the customer within thirty (30) days after the final meter test results. The Company will not require customer repayment of any underbilling to be made over a period shorter than a period equal to the underbilling period.
- c) The Company will monitor customers' usage at least annually by comparing the volume against a high and low parameter. This parameter is based on the customer's usage from last month and the same billing period last year adjusted for weather conditions.

The above procedures are designed to draw the Company's attention to unusual deviations in a customer's usage and provide reasonable means by which the Company can determine the reasons for the unusual deviation. If a customer's usage is unduly high and the deviation is not otherwise explained, the Company will test the customer's meter to determine whether the meter shows an average error greater than two (2) percent fast or slow.

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Rules and Regulations

- d) If the Company's procedure for monitoring usage indicates that an investigation of a customer's usage is necessary, the Company will notify the customer in writing either during or immediately after the investigation of the reason for the investigation and of the findings of the investigation. If knowledge of a serious situation requires more expeditious notice, the Company will notify the customer by the most expedient means available.
- e) Customer accounts shall be considered to be current while a dispute is pending as long as the customer continues to make payments for the disputed period in accordance with historic usage or if that data is not available, the average usage of similar customer loads, and stays current on subsequent bills.

9. Customer's Request for Termination of Service

- a) Any customer desiring service termination or changed from one address to another shall give the Company at least three (3) working days notice in person, in writing, or by telephone, provided such notice does not violate contractual obligations or tariff provisions. The customer shall not be responsible for charges for service beyond the three (3) day notice period if the customer provides reasonable access to the meter during the notice period. If the customer notifies the Company of his request for termination by telephone, the burden of proof is on the customer to prove that service termination was requested if a dispute arises.
- b) Upon request that service be reconnected at any premises subsequent to the initial installation or connection to its service lines, the Company may charge the applicant a reconnect fee, as set out in the Miscellaneous Charges Rate, Sheet No. 68.
- c) The Company may "soft close" the account of any residential customer requesting service termination. Soft close is the closing of a residential customer's account in order to cease billing without physically disconnecting service to the premises in order to facilitate initiating service for the next residential customer at the same premises. The Company will advise the customer that service may be left on and will instruct the customer to lower all gas appliance thermostats. The Company will also advise the customer that if any gas appliances are to be removed, the line servicing the required appliance must be properly plugged or capped and that a qualified plumber should be contacted. The Company will continue to meter and read consumption at a premises under soft close in the normal manner as provided under Section 4 of these Rules and Regulations. Neither the customer terminating service nor the customer initiating service shall be liable for any gas metered while the premises is under soft close. Within 30 days of service under soft close, the account shall be physically disconnected, unless the Company enters into an agreement with a party responsible for the premises (such as a landlord, homeowner, real estate agent, etc.) moving the account to that party's name.

(N)

ISSUED: May 12, 2003

EFFECTIVE: June 1, 2003

ISSUED BY: Gary L. Smith

Vice President – Marketing & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Rules and Regulations

10. Partial Payment and Budget Payment Plans

a) The Company will negotiate and accept reasonable partial payment plans at the request of residential customers who have received a termination notice for failure to pay as provided in Section 11 of these Rules and Regulations, except that the Company is not required to negotiate a partial payment plan with a customer who is delinquent under a previous partial payment plan. Partial payment plans will be mutually agreed upon and subject to the conditions in this subsection and Section 11 of these Rules and Regulations. Partial payment plans which extend for a period longer than thirty (30) days shall be in writing and will advise customers that service may be terminated without additional notice if the customer fails to meet the obligations of the plan.

b) The Company has a budget plan available for the convenience of its customers. The plan is designed to help equalize payment for gas service over a period of twelve months. The budget payment plan amount will be determined based on historical or estimated usage and billing amounts. Levelizing adjustments will be made as frequently as each month. A customer may elect to enter the plan at any time during the year.

To be accepted as a budget customer, the account balance must be paid in total before the customer is put on budget billing. It is understood that this budget billing plan will continue until the customer notifies the Company in writing or by telephone to discontinue the plan or the customer defaults in payment of such plan.

c) For customers presenting certificates under the provision of Section 11 (c) and Section 12 of these Rules and Regulations, the Company will negotiate partial payment plans based upon the customer's ability to pay, requiring the accounts to become current not later than the following October 15. Such plans may include, but are not limited to, budget payment plans and plans that defer payment of a portion of the arrearage until after the end of the heating season through a schedule of unequal payments.

(C)

ISSUED: April 10, 2003

EFFECTIVE: May 2, 2003

ISSUED BY: Gary L. Smith Vice President – Marketing & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Rules and Regulations

11. Company's Refusal or Termination of Service

- a) The Company may refuse or terminate service to a customer only under the following conditions, except as provided in subsections (b) and (c) of this section:
- 1) The Company may terminate service for failure to comply with applicable tariffed rules or Commission regulations pertaining to that service. However, the Company will not terminate or refuse service to any customer for noncompliance with its tariffed rules or Commission regulations without first having made a reasonable effort to obtain customer compliance. After such effort by the Company, service may be terminated or refused only after the customer has been given at least ten (10) days written termination notice.
 - 2) If a dangerous condition relating to the Company's service, which could subject any person to imminent harm or result in substantial damage to the property of the Company or others, is found to exist on the customer's premises, the service will be refused or terminated without advance notice. The Company will notify the customer immediately in writing and, if possible, orally of the reasons for termination or refusal. However, if the dangerous condition, such as gas piping or a gas-fired appliance, can be effectively isolated or secured from the rest of the system, the Company may discontinue service only to the affected piping or appliance.
 - 3) When a customer refuses or neglects to provide reasonable access to the premises for installation, operation, meter reading, maintenance or removal of utility property, the Company may terminate or refuse service. Such action will be taken only when corrective action negotiated between the Company and the customer has failed to resolve the situation and after the customer has been given at least ten (10) days written notice of termination.
 - 4) Except as provided in Section 12 of these Rules and Regulations, the Company will not be required to furnish new service to any customer who is indebted to the Company for service furnished or other tariffed charges until that customer has paid his indebtedness.

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Rules and Regulations

- 5) The Company may refuse or terminate service to a customer if the customer does not comply with state, municipal or other codes, rules and regulations applying to such service. The Company may terminate service only after ten (10) days written notice is provided, unless ordered to terminate immediately by a governmental official.
- 6) Company may terminate service at point of delivery for nonpayment of charges incurred for utility service at that point of delivery. Failure to receive a bill does not exempt a customer from those provisions. However, the Company will not terminate service to any customer for nonpayment of bills for any tariffed charge without first having mailed or otherwise delivered an advance termination notice.

When the Company is proposing to terminate customer service for nonpayment it will mail or otherwise deliver to that customer ten (10) days written notice of intent to terminate. Under no circumstances will service be terminated before twenty-seven (27) days after the mailing date of the original unpaid bill. The termination notice to residential customers will include written notification to the customer of the existence of local, state, and federal programs providing for the payment of utility bills under certain conditions, and of the address and telephone number of the Department of Community-Based Services of the Cabinet for Families and Children to contact for possible assistance.

- 7) The Company may terminate service to a customer without advance notice if it has evidence that a customer has obtained unauthorized service by illegal use or theft. Within twenty-four (24) hours after such termination, the Company will send written notification to the customer of the reasons for termination or refusal of service upon which the Company relies, and of the customer's right to challenge the termination by filing a formal complaint with the Commission. This right of termination is separate from and in addition to any other legal remedies which the Company may pursue for illegal use or theft of service. The Company will not be required to restore service until the customer has complied with all tariffed rules of the Company and laws and regulations of the Commission.

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Rules and Regulations

- 8) The termination notice requirements of this subsection shall not apply if termination notice requirements to a particular customer or customers are otherwise dictated by the terms of a special contract between the Company and the customer which has been approved by the Commission.
 - 9) The Company reserves the right to refuse or to defer full service to an applicant where the existing mains are inadequate to serve the applicant's requirements without adversely affecting the service to customers already connected and being served.
- b) The Company will not terminate service to a customer if the following exist:
- 1) If following receipt of a termination notice for nonpayment, but prior to the actual termination of service, there is delivered to the Company payment of the amount in arrears, service will not be terminated.
 - 2) Service will not be terminated for nonpayment if the customer and the Company have entered into a partial payment plan in accordance with Section 10 of these Rules and Regulations and the customer is meeting the requirements of the plan.
 - 3) Service will not be terminated for nonpayment for thirty (30) days beyond the termination date if a doctor, registered nurse, or a public health officer certifies in writing that termination of service will aggravate a debilitating illness or infirmity on the affected premises. The Company may refuse to grant consecutive extensions for medical certificates past the original thirty (30) days unless the certificate is accompanied by an agreed upon partial payment plan per Section 10 (c) of these Rules and Regulations. The Company will not require a new deposit from a customer who presents to the Company a medical certificate certified in writing by a doctor, registered nurse, or public health official.

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Rules and Regulations

- c) The Company will not terminate service for thirty (30) days beyond the termination date if the Kentucky Cabinet for Families and Children (or its designee) certifies in writing that the customer is eligible for the Cabinet's Energy Assistance Program or household income is at or below 110 percent of the poverty level, and the customer presents such certificate to the Company. Customers eligible for such certification from the Cabinet for Families and Children will have been issued a termination notice between November 1 and March 31. Certificates shall be presented to the Company during the initial ten (10) day termination notice period. As a condition of the thirty (30) day extension, the customer will exhibit good faith in paying his indebtedness by making a payment in accordance with his ability to do so. In addition, the customer will agree to a repayment plan in accordance with Section 10 (c) of these Rules and Regulations which will permit the customer to become current in the payment of his bill as soon as possible but no later than October 15. The Company will not require a new deposit from a customer who presents a certificate to the Company, certified by the Kentucky Cabinet for Families and Children (or its designee), that the customer is eligible for the Cabinet's Energy Assistance Program or whose household is at or below 110 percent of the poverty level.

12. Winter Hardship Reconnection

- a) Notwithstanding the provision of 807 KAR 5:006 section 13 (4) to the contrary, the Company shall reconnect service to a residential customer who has been disconnected for nonpayment of bills and who applies for such reconnection during the months from November through March if the customer or his agent:
- 1) Presents a certificate of need from the Cabinet for Families and Children, Department for Community-Based Services, including a certificate that a referral for weatherization services has been made in accordance with subsection (c) of this section.
 - 2) Pays one-third (1/3) of his outstanding bill or \$200, whichever is less.

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Rules and Regulations

- 3) Agrees to a repayment schedule which would cause the customer to be current in the payment of his bill, as soon as possible but no later than October 15. However, if, at the time of application for reconnection, the customer has an outstanding bill in excess of \$600 and agrees to a repayment plan that would pay current charges and makes a good faith reduction in the outstanding bill consistent with his ability to pay, then such plan will be accepted.
- 4) The Company will not require a new deposit from a customer whose service is reconnected due to paragraphs 1, 2 or 3 of this subsection.
- b) Federal and stateside energy assistance programs are administered by the Kentucky Cabinet for Families and Children, Department for Community-Based Services. A customer who is eligible for energy assistance under the Department's guidelines or is certified as being in genuine financial need, which is defined as any household with gross income at or below 110 percent of the poverty level, may obtain a certificate of need from the Department to be used in obtaining a service reconnection from the Company.
- c) Customers obtaining a certificate of need under this section will agree to accept referral to and utilize weatherization services which are administered by the Cabinet for Families and Children. The provisions and acceptance of weatherization services is contingent on the availability of funds and other program guidelines. Weatherization services include, but are not limited to, weather stripping, insulation, and caulking.
- d) Customers who are current in their payment plans under this section will not be disconnected.

13. Request Tests

- a) The Company will make a test of any meter upon written request of any customer if the request is not made more frequently than once each twelve (12) months. The customer will be given the opportunity to be present at the requested test. If the test shows that the meter was not more than two (2) percent fast, the Company may make a reasonable charge for the test. The amount of the charge will be equal to the reconnect charge shown on Miscellaneous Charges Rate, Sheet No. 68.

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs/Kentucky Division

FOR ENTIRE SERVICE AREA

P.S.C. NO. 1

First Revised SHEET No. 85

Canceling

Original SHEET No. 85

ATMOS ENERGY CORPORATION

Rules and Regulations

- b) After having first obtained a test from the Company, any customer of the Company may request a meter test by the Commission upon written application. Such request shall not be made more frequently on one (1) meter than once each twelve (12) months.

14. Access to Property

The Company shall at all reasonable hours have access to meters, service connections and other property owned by it and located on customer's premises for purposes of installation, maintenance, meter reading, operation, replacement or removal of its property at the time service is to be terminated. Any employee of the Company whose duties require them to enter a customer's premises will wear a distinguishing uniform or other insignia, identifying him as an employee of the Company, or show a badge or other identification which will identify him as an employee of the Company.

15. Service Lines

When Company initiates service to a new Residential or Commercial Customer, Company will install, own, operate and maintain the service line at the premises of Residential and Commercial Customers, if such premises are not connected to a Company main by a service line. With respect to Residential and Commercial Customers that occupy premises already connected to a Company main by a service line, Company shall be responsible for operating and maintaining the service line from the main to the meter. The Company will own the service line from the main to the property line while the Customer will own the service line from the property line to the meter ("customer-owned service line"). When the Company determines that replacement of customer-owned service line is necessary, Company shall be responsible for installing and maintaining the service line from the main to the meter and shall thereafter own the service line from the main to the meter. If it becomes necessary for Company to replace a service line, Company shall use its best efforts to replace the line, during normal working hours and as soon as practical, after Company is made aware of the need for the replacement of the service line.

(1)

ISSUED: October 30, 2009

EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354).

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

ATMOS ENERGY CORPORATION

Rules and Regulations

16. Assignment of Contract

The benefits and obligations of any service application or contract shall begin when the Company commences to supply gas service. It shall insure to and be binding upon the successors and assigns, survivors and executors or administrators, as the case may be, of the original parties thereto, respectively, for the full term thereof. However, no application, agreement or contract for service may be assigned or transferred without the written consent or approval of the Company.

When the gas supply has been disconnected for non-payment of bills or other violation of the Company's Rules and Regulations the service will not be restored at the same location, or connected at another location, for the same or related occupants under a different contract or name when it is evident the change of name is a subterfuge designed to defraud or penalize the Company.

17. Renewal of Contract

If, upon the expiration of any service contract for a specified term, the customer continues to use the service, the contract (unless otherwise provided therein) will be automatically renewed and extended for successive periods of one year each, subject to termination at the end of any year upon thirty (30) days written notice by either Party.

18. Turning Off Gas Service and Restoring Same

The gas service may be turned off at the meter when justified by the customer or his agent or any constituted authorities but no person, unless in the employ of the Company or having permission from the Company, shall turn the gas on or restore service.

19. Special Rules for Customers Serviced from Transmission Mains

In addition to the Standard Rules and Regulations the following special Rules and Regulations shall apply to all customers served directly from a high pressure transmission main which is the property of the Company or one of its suppliers:

ISSUED: October 30, 2009

EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354).

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

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FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 87
Canceling
Original SHEET No. 87

ATMOS ENERGY CORPORATION

Rules and Regulations

- a) The customer's piping extending from the outlet of the meter shall be installed and maintained by the customer at his expense.
- b) The customer shall notify the Company promptly of any leaks in the transmission line or equipment, also, of any hazards or damages to same.
- c) Customers may be required to send in monthly meter readings to the Company on suitable forms provided by the Company.

20. Owners Consent

In case the customer is not the owner of the premises where service is to be provided, it will be the customer's responsibility to obtain from the property owner or owners the necessary consent to install and maintain in or on said premises all such piping and other equipment as are required or necessary for supplying gas service to the customer whether the piping and equipment be the property of the customer or the Company.

The Company will not require a prospective customer to obtain easements or rights-of-way on property not owned by the prospective customer as a condition for providing service. The cost of obtaining easements or rights-of-way will be included in the total per foot cost of an extension, and will be apportioned according to Section 29 in these Rules and Regulations.

21. Customer's Equipment and Installation

- a) In addition to the customer-owned service line, if any, the customer shall furnish, install and maintain at his expense the necessary piping downstream from the meter, including but not limited to house piping, connections and appliances. It shall also be the responsibility of the customer to install and maintain same in accordance with the requirements and specification of all local, state and national codes and regulations applicable to his specific usage and occupancy.
- b) All of the piping, connections and appliances shall be suitable for the purposes thereof and shall be maintained by the customer at his expense at all time in a good, safe and serviceable condition.

ISSUED: October 30, 2009

EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354).

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

ATMOS ENERGY CORPORATION

Rules and Regulations

- c) The Company will inspect the condition of the meter and service connection before making service connections to a new customer so that prior or fraudulent use of the facilities will not be attributed to the new customer. The new customer will be afforded the opportunity to be present at such inspections. The Company will not be required to render service to any customer until any defects in the customer-owned portion of the service facilities have been corrected.

- d) The Company will not assume any responsibility and will not be held liable in any way for the making of any periodic inspection of the customer's piping downstream of the meter including but not limited to house piping, connections and appliances, or for the customer's failure to properly and safely install, operate and maintain same.

22. Company's Equipment and Installation

The Company will furnish, install and maintain at its expense the necessary meter, regulator and connections. The Company's equipment will be located at or near the main, service connection, property line, near or in the building, at the discretion or judgment of the Company. Whenever practical, in the judgement of the Company, the location will be as near the supply main as possible and outside of buildings. A suitable site or location for the meter, regulator and connections shall be provided by the customer at no cost to the Company. The title to this equipment shall remain in the Company, with the right to install, operate, maintain and remove same, and no charge shall be made by the customer for use of the premises as occupied or used.

23. Protection of Company's Property

All meters, piping and other appliances and equipment furnished by or at the expense of the Company, which may at any time be in or on customer's premises shall, unless otherwise expressly provided herein, be and remain the property of the Company. The customer shall protect such property from loss or damage.

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ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

ATMOS ENERGY CORPORATION

Rules and Regulations

24. Customer's Liability

(T)

The customer shall assume all responsibility for the gas service in or on the customer's premises, at and from the point of delivery of gas, and for all piping, appliances and equipment used in connection therewith which are not the property of the Company. The customer will protect and save the Company harmless from all claims for injury or damage to persons or property occurring on the customer's premises or at and from the point of delivery of gas occasioned by such gas or gas service and equipment, except where said injury or damage will be shown to have been caused solely by the negligence of the Company.

25. Notice of Escaping Gas or Unsafe Conditions

(T)

Immediate notice must be given by the customer to the Company if any escaping gas or unsafe conditions are detected or any defects or improper installations are discovered in piping and equipment of either the Company or the customer which are on the customer's premises.

No flames or lights are to be taken near any escape of gas and the gas must be shut-off at the meter cock or valve until the hazard is eliminated and the gas service is not to be turned on again except by a Company employee.

The Company will not be responsible or assume any liability for any injury, loss or damage which may arise from the carelessness or negligence of the customer or his agent or representatives.

26. Special Provisions – Large Volume Customers

(T)

Industrial, Commercial or other customers using large volumes of gas on a varying basis shall install and maintain at their expense adequate piping and suitable regulating and control equipment to provide reasonable and practical limitation of intermittence or fluctuation in the pressure, volume or flow of gas. The customer shall so regulate and control their operations and use of gas so as not to interfere with gas service being furnished to them or to any other customers, or with the proper and accurate metering of gas at their or any other location.

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ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 90
Canceling
Original SHEET No. 90

ATMOS ENERGY CORPORATION

Rules and Regulations

27. Exclusive Service

Except in cases where the customer has a special contract with the Company for reserve or auxiliary service, no other fuel service shall be used by the customer on the same installation in conjunction with the Company's service connection, either by means of valves or any other connection.

The customer shall not sell the gas purchased from the Company to any other customer, company, or person. The customer shall not deliver gas purchased from the Company to any connection wherein said gas is to be used off of customer's premises or by persons over whom customer has no control.

28. Point of Delivery of Gas

The point of delivery of gas supplied by the Company shall be at the point where the gas passes from the pipes of the Company's service connection into the customer-owned service line, if any, or the outlet of the meter, whichever is nearest the delivery main of the Company.

29. Distribution Main Extensions

- a) The Company will extend an existing distribution main up to one hundred (100) feet for each single customer provided the following criteria is met:
- 1) The existing main is of sufficient capacity to properly supply the additional customer(s);
 - 2) Provided that the customer(s) contracts to use gas on a continuous basis for one (1) year or more; and,
 - 3) Provided the potential consumption and revenue will be of such amount and permanence as to warrant the capital expenditures involved to make the investment economically feasible.

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ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

ATMOS ENERGY CORPORATION

Rules and Regulations

- b) Whenever an extension exceeds one hundred (100) feet per customer, the Company will enter into an agreement with the customer(s) or subscriber(s). The agreement will provide for the extension on a cost per foot basis with the additional amount to be deposited with the Company by the customer(s) or subscriber(s). The agreement will contain provisions for a proportionate and equitable refund in the event other customers are connected to the extension within a ten (10) year period. Refunds shall be made only after the customer(s) has used gas service for a minimum continuous period of one (1) year. The Company reserves the right to determine the length of the extension, to specify the pipe size and location of the extension, and to construct the extension in accordance with its standard practices. Title to all extensions covered by agreements shall be and remain in the Company and in no case shall the amount of any refunds exceed the original deposit. Any further or lateral extension shall be treated as a new and separate extension.
- c) Nothing contained herein shall be construed as to prohibit the Company from making at its expense greater extensions to its distribution mains or the granting of more favorable and/or different terms in addition to those herein prescribed should its judgement so dictate, provided like extensions are made for other customers or subscribers under similar conditions.

30. Service Line Extensions

When the length of a service line is 100 feet or less, and the customer has agreed to use natural gas as its major source of energy, Company will assess no charge for the service line installation. A customer's major source of energy is defined as its primary energy source for heating the premises. If the Customer will not be using natural gas as its major energy source, the Customer may be required to contribute a portion of the cost of the service line in the form of a contribution in aid of construction. This amount will vary depending upon the installed appliances but will not exceed the Company's annual average cost of a service line. When the length of a service line exceed the 100 feet, Company may require Customer to contribute toward the cost of the service line installation an amount equal to the estimated cost per foot for each lineal foot of service line beyond the 100 feet.

(T)

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ATMOS ENERGY CORPORATION

Rules and Regulations

31. Municipal Franchise Fees

(T)

As to service within any county, city, town, urban county or other taxing district (herein referred to as the "franchise area") with respect to which the Company is required to pay to the county, city, town, urban county or other taxing district franchise fees or other payments made in consideration for the Company's use of public streets, properties and rights-of-way located within the applicable franchise area (herein collectively referred to as "franchise fees") based in any manner on a percentage of the amount of revenues received by the Company from service in such area, such franchise fees shall be recovered from the customers receiving service in that franchise area in accordance with provisions of this Section 31.

The charge to customers for the franchise fees shall be determined by multiplying the applicable franchise fee percentage times the customer's bill as otherwise determined under the Company's applicable tariff rate. The charge shall be added to each customer billing for all applicable classes of service in the franchise area. The amount of this charge shall be listed as a separate item on each customer's bill, shall show the amount of the charge and shall designate the unit of government to which the payment is due.

32. Continuous or Uniform Service

(T)

The Company will endeavor to supply gas continuously and without interruption, however, the Company shall not be responsible in damages or otherwise for any failure to supply gas or for any interruptions of the supply when such a failure is without willful fault or neglect on its part.

The Company cannot and does not guarantee either a sufficient or an adequate supply, or uniform pressure of the gas supplied. The Company shall not be liable for any damage or loss resulting from inadequate or interrupted supply or from any pressure variations when such conditions are not due to willful fault or neglect on its part.

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ATMOS ENERGY CORPORATION

Rules and Regulations

33. Measurement Base

The rates of the Company are based upon gas delivered to the customer on a basis of four (4) ounces per square inch above an assumed atmospheric pressure of fourteen and four tenths (14.4) pounds per square inch, or fourteen and sixty-five hundredths (14.65) pounds per square inch absolute pressure, at an assumed temperature of sixty (60) degrees Fahrenheit. However, the Company reserves the right to correct as necessary the actual temperature to sixty (60) degrees Fahrenheit basis. All gas measured at pressures higher than the standard pressure for low pressure distribution systems shall be corrected to a pressure base of fourteen and sixty-five hundredths (14.65) pounds per square inch absolute.

34. Character of Service

The Company will normally supply natural gas having a heating value of approximately one thousand (1,000) Btu per cubic foot and specific gravity of approximately six tenths (0.6). However, when it is necessary to supplement the supply of natural gas the Company reserves the right, at its discretion, to supply an interchangeable mixture of vaporized liquefied petroleum gas and air, or a combination of same with natural gas.

35. Curtailed Order

In cases of impairment of gas supply or distribution system capacity, or partial or total interruptions and when it appears that the Company is, or will be, unable to supply the requirements of all of its customers in any system or segment thereof, the Company shall curtail gas service to its customers in the manner set forth below.

a) **Definitions:**

Residential – Service to customers for residential purposes including housing complexes and apartments.

Commercial – Service to customers engaged primarily in the sale of goods or services including institutions and local and federal agencies for uses other than those involving manufacturing.

Industrial – Service to customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product, including the generation of electric power for sale.

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ATMOS ENERGY CORPORATION

Rules and Regulations

b) **Priorities of Curtailment:**

Sales Service

The Company may curtail or discontinue sales service in whole or in part on a daily, monthly or seasonal basis in any purchase zone in accordance with the following priorities, starting with Priority 8 and proceeding in descending numerical order.

High Priority

- Priority 1. Residential and services essential to the public health where no alternate fuel exists (Rate G-1)
- Priority 2. Small commercials less than 50 Mcf per day (Rate G-1).
- Priority 3. Large commercials over 50 Mcf per day not included under lower priorities (Rates G-1)
- Priority 4. Industrials served under Rate G-1.

Low Priority

- Priority 5. Customers served under Rates G-2 other than boilers included in Priority 6.
- Priority 6. Boiler loads shall be curtailed in the following order (Rates G-2).
 - A – Boilers over 3,000 Mcf per day.
 - B – Boilers between 1,500 Mcf and 3,000 Mcf per day.
 - C – Boilers between 300 Mcf and 1,500 Mcf per day.
- Priority 7. Imbalance sales service under Rate T-3 and Rate T-4.
- Priority 8. Flex sales transactions.

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EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354).

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

ATMOS ENERGY CORPORATION

Rules and Regulations

The Company and a customer may agree, by contract, to a lower curtailment priority than would otherwise apply under the foregoing curtailment sequence.

If the gas supply is inadequate to fulfill only the partial requirements of a priority category then curtailment to customers in that category will be administered on a continuing basis.

Transportation Service

Transportation services will be curtailed under the following conditions:

- 1 – Due to capacity constraints on the Company's system.
- 2 – Due to capacity constraints on the transporter's system.
- 3 – During temporary gas supply emergency on the Company's system.
- 4 – When the Company is unable to confirm that the customer's gas supply is actually being delivered to the system.

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(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354).

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

ATMOS ENERGY CORPORATION

Rules and Regulations

c) **Penalty for Unauthorized Overruns**

In the event a customer fails in part or in whole to comply with a Company Curtailment Order either as to time or volume of gas used or uses a greater quantity of gas than its allowed volume under terms of the Curtailment Order, the Company may, at its sole discretion, apply a penalty rate of up to \$15.00 per Mcf.

In addition to other tariff penalty provisions, the customer shall be responsible for any penalty(s) assessed by the interstate pipeline(s) or suppliers resulting from the customer's failure to comply with terms of a Company Curtailment Order.

The payment of penalty charges shall not be considered as giving any customer the right to take unauthorized volumes of gas, nor shall such penalty charges be considered as a substitute for any other remedy available to the Company.

d) **Discontinuance of Service**

The Company shall have the right, after reasonable notice to discontinue the gas supply of any customer that fails to comply with a valid curtailment order.

ISSUED: October 30, 2009

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(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354).

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

ATMOS ENERGY CORPORATION

Rules and Regulations

36. General Rules

No agent, representative or employee of the Company has the authority to make any promise, agreement or representative, not incorporated in or provided for by the Rules and Regulations of the Public Service Commission of Kentucky or of this Company. Neither, has any agent, representative or employee of the Company any right or power to amend, modify, alter or waive any of the said Rules and Regulations, except as herein provided.

The Company reserves the right to amend or modify its Rules and the Regulations or to adopt such additional Rules and Regulations as the Company deems necessary in the proper conduct of its business, subject to the approval of the Public Service Commission of Kentucky.

These Rules and Regulations or Terms and Conditions of Service replace and supersede all previous Rules and Regulations or Terms and Conditions under which the Company has previously supplied gas service.

(T)

ISSUED: October 30, 2009

EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354).

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(1)(b)(8)a

Description of Filing Requirement:

The utility's proposed tariff changes, identified in compliance with 807 KAR 5:011, shown either by:

- a. Providing the present and proposed tariffs in comparative form on the same sheet side by side or on facing sheets side by side; or

Response:

The proposed tariff, in accordance with the guidelines of this Filing Requirement, is attached hereto, in side by side presentation with present tariffs.

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Third Revised SHEET No. 1
CANCELING
Second Revised SHEET No. 1

ATMOS ENERGY CORPORATION

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ISSUED: November 29, 2007 EFFECTIVE: January 1, 2008
(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)
ISSUED BY: Mark A. Martin, Vice President - Regulatory Affairs/Kentucky Midstates Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Fourth Revised SHEET No. 1
CANCELING
Third Revised SHEET No. 1

ATMOS ENERGY CORPORATION

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ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Midstates Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
 First Revised SHEET No. 2
CANCELING
 Original SHEET No. 2

ATMOS ENERGY CORPORATION

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EFFECTIVE: August 1, 2007

(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin

Vice President Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
 Second Revised SHEET No. 2
CANCELING
 First Revised SHEET No. 2

ATMOS ENERGY CORPORATION

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EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354)

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Midstates Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 3

ATMOS ENERGY CORPORATION

Towns and Communities in Service Area				
The Service Area of the Company includes the following towns and their environs:				
Adairville	Dennis	Hartford	Munfordsville	Sebree
Aetnaville	Depoy	Hawesville	Niagara	Sedalia
Alton	Dermont	Heath	Nortonville	Shelby City
Anthoston	Dixon	Hendron	Oak Ridge	Shelbyville
Anton	Earlington	Herbert	Oakdale	Slaughters
Auburn	Eddyville	Hickory	Oakland	Smiths Grove
Basket	Elkton	Hill-n-dale	Oklahoma	Sorgho
Beadlestown	Ellmitch	Hiseville	Owensboro	So. Henderson
Beaver Dam	Empire	Hopkinsville	Paducah	So. Highland
Beda	Epley	Horse Cave	Park City	So. Union
Beulah	Epperson	Hustonville	Perryville	Spottsville
Boston	Evergreen	Junction City	Philpot	Springfield
Bowling Green	Farmdale	Knottsville	Pleasant Hill	St. Charles
Bremen	Fearsville	Lake City	Pleasant Ridge	St. Joseph
Briartown	Feliciana	Lancaster	Plum Springs	Stanford
Browns Valley	Finley	Lawrenceburg	Poole	Stanley
Buck Creek	Fordsville	Lebanan	Powderly	Stringtown
Buford	Franklin	Livia	Princeton	Summersville
Burgin	Fredonia	Logantown	Pritchardsville	Sutherland
Cadiz	Fruit Hill	Lone Oak	Pryorsburg	Symsonia
Calhoun	Gilbertsville	Luzerne	Reidland	Thurston
Calvert City	Gishton	Maceo	Reidville	Utica
Calvary	Glasgow	Madisonville	Reynolds Sta.	Waddy
Campbellsville	Glenville	Mannington	Robards	Water Valley
Carbondale	Grahamville	Marion	Rocky Hill	West Louisville
Cave City	Grand Rivers	Masonville	Rome	Whitesville
Central City	Greensberg	Mayfield	Rowletts	Wingo
Charleston	Greenville	McGowan	Rumsey	Woodburn
Cloverport	Habit	Memphis Junc.	Russellville	Woodlawn
Crayne	Hanson	Midland	Sacramento	Woodsonville
Crofton	Hardeman	Milledgeville	Salmons	Yelvington
Danville	Hardinsburg	Moreland	Saloma	Zion
Dawson Springs	Harned	Mortons Gap	Schochoh	
Deanfield	Harrodsburg	Mosleyville		

ISSUED: August 9, 2002
(Issued By Authority of an Order of the Public Service Commission in Case No. 99-070 dated August 9, 2002)
ISSUED BY: William J. Senter
EFFECTIVE: October 1, 2002
Vice President - Rates & Regulatory Affairs

Proposed

FOR ENTIRE SERVICE AREA
Original SHEET No. 3

ATMOS ENERGY CORPORATION

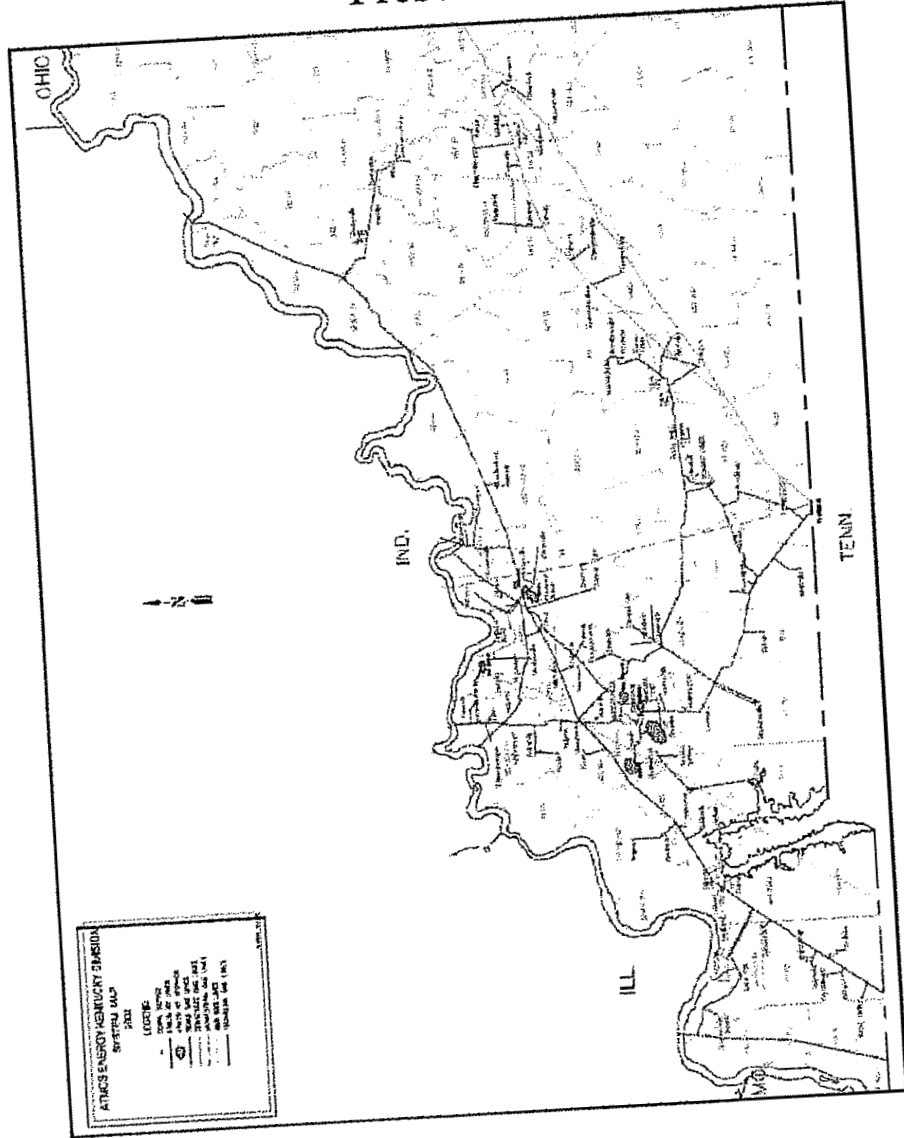
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Alton	Demont	Heath	Nortonville	Shelby City
Anthoston	Dixon	Hendron	Oak Ridge	Shelbyville
Anton	Earlington	Herbert	Oakdale	Slaughters
Auburn	Eddyville	Hickory	Oakland	Smiths Grove
Basket	Elkton	Hill-n-dale	Oklahoma	Sorgho
Beadlestown	Ellmitch	Hiseville	Owensboro	So. Henderson
Beaver Dam	Empire	Hopkinsville	Paducah	So. Highland
Beda	Epley	Horse Cave	Park City	So. Union
Beulah	Epperson	Hustonville	Perryville	Spottsville
Boston	Evergreen	Junction City	Philpot	Springfield
Bowling Green	Farmdale	Knottsville	Pleasant Hill	St. Charles
Bremen	Fearsville	Lake City	Pleasant Ridge	St. Joseph
Briartown	Feliciana	Lancaster	Plum Springs	Stanford
Browns Valley	Finley	Lawrenceburg	Poole	Stanley
Buck Creek	Fordsville	Lebanan	Powderly	Stringtown
Buford	Franklin	Livia	Princeton	Summersville
Burgin	Fredonia	Logantown	Pritchardsville	Sutherland
Cadiz	Fruit Hill	Lone Oak	Pryorsburg	Symsonia
Calhoun	Gilbertsville	Luzerne	Reidland	Thurston
Calvert City	Gishton	Maceo	Reidville	Utica
Calvary	Glasgow	Madisonville	Reynolds Sta.	Waddy
Campbellsville	Glenville	Mannington	Robards	Water Valley
Carbondale	Grahamville	Marion	Rocky Hill	West Louisville
Cave City	Grand Rivers	Masonville	Rome	Whitesville
Central City	Greensberg	Mayfield	Rowletts	Wingo
Charleston	Greenville	McGowan	Rumsey	Woodburn
Cloverport	Habit	Memphis Junc.	Russellville	Woodlawn
Crayne	Hanson	Midland	Sacramento	Woodsonville
Crofton	Hardeman	Milledgeville	Salmons	Yelvington
Danville	Hardinsburg	Moreland	Saloma	Zion
Dawson Springs	Harned	Mortons Gap	Schochoh	
Deanfield	Harrodsburg	Mosleyville		

ISSUED: August 9, 2002
EFFECTIVE: October 1, 2002

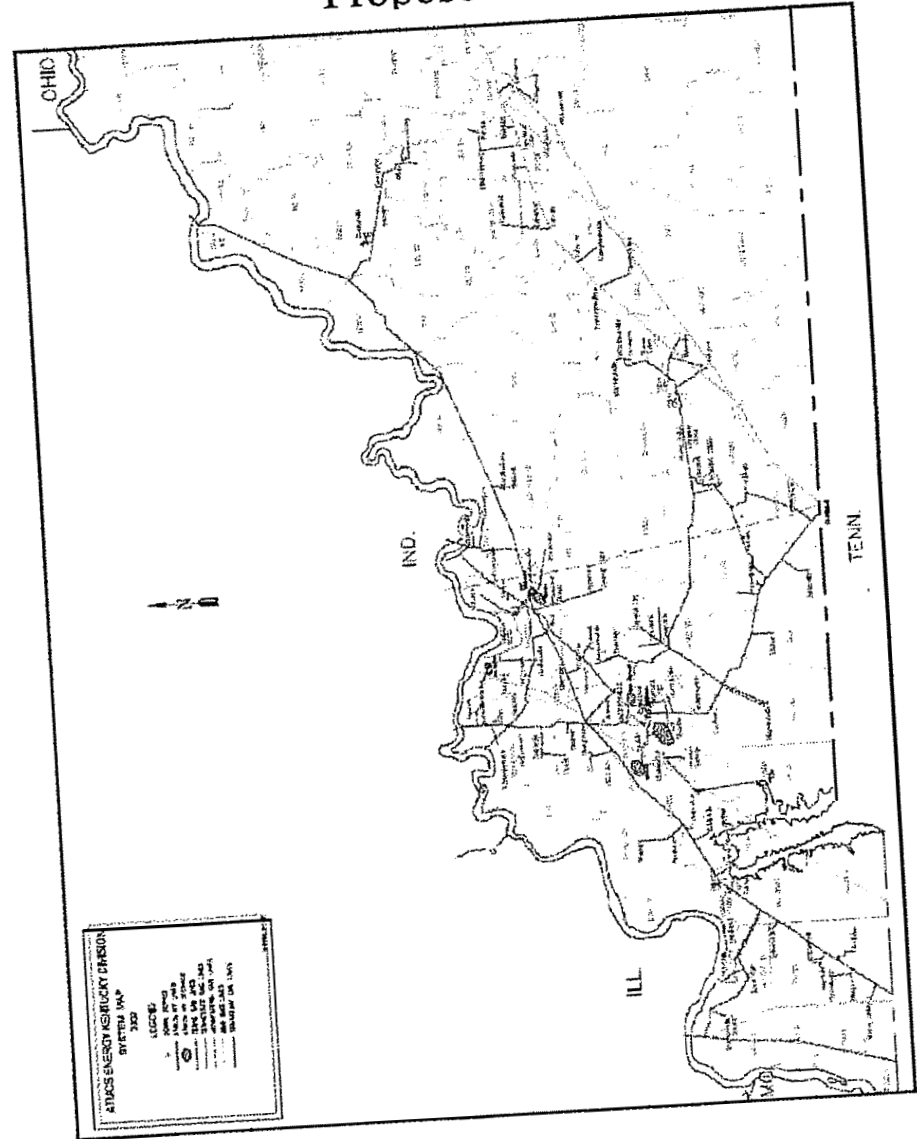
(Issued By Authority of an Order of the Public Service Commission in Case No. 99-070 dated August 9, 2002)

ISSUED BY: William J. Senter
Vice President - Rates & Regulatory Affairs

Present



Proposed



Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Thirty-Sixth SHEET No. 4
Canceling
Thirty-Fifth SHEET No. 4

ATMOS ENERGY CORPORATION

Current Rate Summary				
Case No. 2009-00393				
Firm Service				
Base Charge:				
Residential	-	\$ 9.35	per meter per month	
Non-Residential	-	25.00	per meter per month	
Carriage (T-4)	-	250.00	per delivery point per month	
Transportation Administration Fee	-	50.00	per customer per meter	
Rate per Mcf²	Sales (G-1)	Transport (T-2)	Carriage (T-4)	
First 300 ¹ Mcf	@ 7.2832 per Mcf	@ 2.3001 per Mcf	@ 1.1900 per Mcf	(I, R, N)
Next 14,700 ¹ Mcf	@ 6.8462 per Mcf	@ 1.8631 per Mcf	@ 0.7530 per Mcf	(I, R, N)
Over 15,000 Mcf	@ 6.5640 per Mcf	@ 1.5809 per Mcf	@ 0.4708 per Mcf	(I, R, N)
Interruptible Service				
Base Charge	-	\$220.00	per delivery point per month	
Transportation Administration Fee	-	50.00	per customer per meter	
Rate per Mcf²	Sales (G-2)	Transport (T-2)	Carriage (T-3)	
First 15,000 ¹ Mcf	@ 5.7929 per Mcf	@ 0.8098 per Mcf	@ 0.6000 per Mcf	(I, I, N)
Over 15,000 Mcf	@ 5.5729 per Mcf	@ 0.5898 per Mcf	@ 0.3800 per Mcf	(I, I, N)
<p>1 All gas consumed by the customer (sales, transportation, and carriage; firm and interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.</p> <p>2 DSM and R&D Riders may also apply, where applicable.</p>				

ISSUED: September 28, 2009 EFFECTIVE: November 1, 2009
(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00393)

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Midstates Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Thirty-Seventh SHEET No. 4
CANCELING
Thirty-Sixth SHEET No. 4

ATMOS ENERGY CORPORATION

Current Rate Summary				
Case No. 2009-00354				
Firm Service				
Base Charge:				
Residential	-	\$ 13.50	per meter per month	(I)
Non-Residential	-	30.00	per meter per month	(I)
Transportation (T-4)	-	300.00	per delivery point per month	(I)
Transportation Administration Fee	-	50.00	per customer per meter	(I)
Rate per Mcf²	Sales (G-1)	Transportation (T-4)		
First 300 ¹ Mcf	@ 7.2930 per Mcf	@ 1.2000 per Mcf		(I)
Next 14,700 ¹ Mcf	@ 6.8647 per Mcf	@ 0.7715 per Mcf		(I,D,I)
Over 15,000 Mcf	@ 6.5959 per Mcf	@ 0.5027 per Mcf		(I,D,I)
Interruptible Service				
Base Charge	-	\$300.00	per delivery point per month	(I)
Transportation Administration Fee	-	50.00	per customer per meter	(I)
Rate per Mcf²	Sales (G-2)	Transportation (T-3)		
First 15,000 ¹ Mcf	@ 5.8429 per Mcf	@ 0.6500 per Mcf		(I)
Over 15,000 Mcf	@ 5.6029 per Mcf	@ 0.4100 per Mcf		(I,D,I)
<p>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.</p> <p>2 DSM, PRP and R&D Riders may also apply, where applicable.</p>				

ISSUED: October 30, 2009 EFFECTIVE: December 1, 2009
(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354)

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Thirty-Sixth SHEET No. 5
Canceling
Thirty-Fifth SHEET No. 5

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Thirty-Seventh SHEET No. 5
Canceling
Thirty-Sixth SHEET No. 5

ATMOS ENERGY CORPORATION

ATMOS ENERGY CORPORATION

Current Gas Cost Adjustments			
Case No. 2009-00393			
Applicable			
For all Mcf billed under General Sales Service (G-1) and Interruptible Sales Service (G-2).			
Gas Charge = GCA			
GCA = EGC + CF + RF + PBRRF			
Gas Cost Adjustment Components	G-1	G-2	
EGC (Expected Gas Cost Component)	7.0705	6.1702	(I, D)
CF (Correction Factor)	(1.0679)	(1.0679)	(R,R)
RF (Refund Adjustment)	0.00000	0.0000	(N, N)
PBRRF (Performance Based Rate Recovery Factor)	<u>0.0906</u>	<u>0.0906</u>	(N, N)
GCA (Gas Cost Adjustment)	<u>\$6.0932</u>	<u>\$5.1929</u>	(I, I)

Current Gas Cost Adjustments			
Case No. 2009-00354			
Applicable			
For all Mcf billed under General Sales Service (G-1) and interruptible Sales Service (G-2).			
Gas Charge = GCA			
GCA = EGC + CF + RF + PBRRF			
Gas Cost Adjustment Components	G-1	G-2	
EGC (Expected Gas Cost Component)	7.0705	6.1702	(I, I)
CF (Correction Factor)	(1.0679)	(1.0679)	(R,R)
RF (Refund Adjustment)	0.00000	0.0000	(N, N)
PBRRF (Performance Based Rate Recovery Factor)	<u>0.0906</u>	<u>0.0906</u>	(N, N)
GCA (Gas Cost Adjustment)	<u>\$6.0932</u>	<u>\$5.1929</u>	(I, I)

ISSUED: September 28, 2009
(Issued by Authority of an Order of the Public Service Commission in Case No.2009-00939.)

FFECTIVE: November 1, 2009

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Midstates Division

ISSUED: October 30, 2009
(Issued by Authority of an Order of the Public Service Commission in Case No.2009-00354.)

FFECTIVE: December 1, 2009

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Thirty-Sixth SHEET No. 6
Canceling
Thirty-Fifth SHEET No. 6

ATMOS ENERGY CORPORATION

Current Transportation and Carriage						
Case No. 2009-00393						
The General Transportation Rate T-2 and Carriage Service (Rates T-3 and T-4) for each respective service net monthly rate is as follows:						
System Lost and Unaccounted gas percentage:						3.50%
		<u>Simple</u>		<u>Non</u>		<u>Gross</u>
		<u>Margin</u>		<u>Commodity</u>		<u>Margin</u>
Transportation Service (T-2)¹						
a) Firm Service						
First 300 ²	Mcf	@	\$1.1900	+	\$1.1101	= \$2.3001 per Mcf (R)
Next 14,700 ²	Mcf	@	0.7530	+	1.1101	= 1.8631 per Mcf (R)
Over 15,000 ²	Mcf	@	0.4708	+	1.1101	= 1.5809 per Mcf (R)
b) Interruptible Service						
First 15,000 ²	Mcf	@	\$0.6000	+	\$0.2098	= \$0.8098 per Mcf (I)
All Over 15,000 ²	Mcf	@	0.3800	+	0.2098	= 0.5898 per Mcf (I)
Carriage Service³						
Firm Service (T-4)						
First 300 ²	Mcf	@	\$1.1900	+	\$0.0000	= \$1.1900 per Mcf
Next 14,700 ²	Mcf	@	0.7530	+	0.0000	= 0.7530 per Mcf
Over 15,000 ²	Mcf	@	0.4708	+	0.0000	= 0.4708 per Mcf
Interruptible Service (T-3)						
First 15,000 ²	Mcf	@	\$0.6000	+	\$0.0000	= \$0.6000 per Mcf
All Over 15,000 ²	Mcf	@	0.3800	+	0.0000	= 0.3800 per Mcf
¹ Includes standby sales service under corresponding sales rates. R&D Rider may also apply. ² All gas consumed by the customer (Sales and transportation; firm and interruptible, and carriage) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved. ³ Excludes standby sales service.						

ISSUED: September 28, 2009

EFFECTIVE: November 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00393.)

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Thirty-Seventh sheet No. 6
CANCELING
Thirty-Sixth Sheet No. 6

ATMOS ENERGY CORPORATION

Current Transportation						
Case No. 2009-00354						
The Transportation Rates (T-3 and T-4) for each respective service net monthly rate is as follows:						
System Lost and Unaccounted gas percentage:						3.50%
		<u>Simple</u>		<u>Non</u>		<u>Gross</u>
		<u>Margin</u>		<u>Commodity</u>		<u>Margin</u>
Transportation Service¹						
Firm Service (T-4)						
First 300	Mcf	@	\$1.2000	+	\$0.0000	= \$1.2000 per Mcf (I,N,I)
Next 14,700	Mcf	@	0.7715	+	0.0000	= 0.7715 per Mcf (I,N,I)
All Over 15,000	Mcf	@	0.5027	+	0.0000	= 0.5027 per Mcf (I,N,I)
Interruptible Service (T-3)						
First 15,000	Mcf	@	\$0.6500	+	\$0.0000	= \$0.6500 per Mcf (I,N,I)
All Over 15,000	Mcf	@	0.4100	+	0.0000	= 0.4100 per Mcf (I,N,I)
¹ Excludes standby sales service.						

ISSUED: October 30, 2009

EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354)

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 7

ATMOS ENERGY CORPORATION

Computer Billing Rate Codes	
Billing Codes as shown on sample bill format in Rules and Regulations, Sheet No. 71.	
<u>Billing Codes</u>	<u>Rate Description</u>
11WC	Interruptible Sales Service (G-2) – Commercial
11WD	Interruptible Sales Service (G-2) – Industrial
11WP	Interruptible Sales Service (G-2) – Public Authority
22WC	General Sales Service (G-1) – Commercial
22WD	General Sales Service (G-1) – Industrial
22WP	General Sales Service (G-1) – Public Authority
42PR	General Sales Service (G-1) – Public Housing Residential
42WR	General Sales Service (G-1) – Residential
52WC	General Sales Service (G-1) – Commercial
52WP	General Sales Service (G-1) – Public Authority

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 7

ATMOS ENERGY CORPORATION

Computer Billing Rate Codes	
Billing Codes as shown on sample bill format in Rules and Regulations, Sheet No. 71.	
<u>Billing Codes</u>	<u>Rate Description</u>
11WC	Interruptible Sales Service (G-2) – Commercial
11WD	Interruptible Sales Service (G-2) – Industrial
11WP	Interruptible Sales Service (G-2) – Public Authority
22WC	General Sales Service (G-1) – Commercial
22WD	General Sales Service (G-1) – Industrial
22WP	General Sales Service (G-1) – Public Authority
42PR	General Sales Service (G-1) – Public Housing Residential
42WR	General Sales Service (G-1) – Residential
52WC	General Sales Service (G-1) – Commercial
52WP	General Sales Service (G-1) – Public Authority

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 8
CANCELING
Original SHEET No. 8

ATMOS ENERGY CORPORATION

General Firm Sales Service	
Rate G-1	
1. Applicable	
Entire Service Area of the Company. (See list of towns - Sheet No. 3)	
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	(I)
\$ 9.35 per meter for residential service	(I)
\$25.00 per meter for non-residential service	(I)
b) Distribution Charge	(N)
First ¹ 300 Mcf @ \$1.1900 per 1,000 cubic feet	(I)
Next ¹ 14,700 Mcf @ 0.7530 per 1,000 cubic feet	(I)
Over 15,000 Mcf @ 0.4708 per 1,000 cubic feet	(I)
c) Weather Normalization Adjustment, referenced on Sheet No. 22.	(T)
d) Gas Cost Adjustment (GCA) Rider, referenced on Sheet No. 23.	(T)
e) Demand Side Management Cost Recovery Mechanism, referenced on Sheet No. 39.	(T)
f) Research & Development Rider (R&D), referenced on Sheet No. 42.	(T)
¹ All gas consumed by the customer (Sales, Transportation, and Carriage; firm, high, load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.	

ISSUED: August 1, 2007 EFFECTIVE: August 1, 2007
(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin

Vice President - Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 8
Canceling
First Revised SHEET No. 8

ATMOS ENERGY CORPORATION

General Firm Sales Service	
Rate G-1	
1. Applicable	
Entire Service Area of the Company. (See list of towns - Sheet No. 3)	
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	(I)
\$13.50 per meter for residential service	(I)
\$30.00 per meter for non-residential service	(I)
b) Distribution Charge	(I)
First ¹ 300 Mcf @ \$1.2000 per 1,000 cubic feet	(I)
Next ¹ 14,700 Mcf @ 0.7715 per 1,000 cubic feet	(I)
Over 15,000 Mcf @ 0.5027 per 1,000 cubic feet	(I)
c) Weather Normalization Adjustment, referenced on Sheet No. 22.	(T)
d) Gas Cost Adjustment (GCA) Rider, referenced on Sheet No. 23.	(T)
e) Demand Side Management Cost Recovery Mechanism, referenced on Sheet No. 39.	(T)
f) Research & Development Rider (R&D), referenced on Sheet No. 42.	(T)
g) Pipe Replacement Program (PRP) Rider, referenced on Sheet No. 43.	(T)
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.	

ISSUED: October 30, 2009 EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354)

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 9
CANCELING
First SHEET No. 9

ATMOS ENERGY CORPORATION

General Firm Sales Service	
Rate G-1	
4. <u>Net Monthly Bill</u>	The Net Monthly Bill shall be equal to the sum of the Base Charge, Distribution Charge, the Gas Cost Adjustment (GCA) Rider, and other riders applicable by class of service.
5. <u>Service Period</u>	Open order. However, the Company may require a special written contract for large use or abnormal service requirements. This contract shall include provisions for load limitations and for curtailment or interruptions as necessary, at the discretion of the Company, to prevent the load adversely affecting firm service customers in the area.

(D)

(T)

ISSUED: November 29, 2007
(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

EFFECTIVE: January 1, 2008

ISSUED BY: Mark A. Martin

Vice President -Regulatory Affairs/ Kentucky Midstates Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 9
Canceling
First SHEET No. 9

ATMOS ENERGY CORPORATION

General Firm Sales Service	
Rate G-1	
4. <u>Net Monthly Bill</u>	The Net Monthly Bill shall be equal to the sum of the Base Charge, Distribution Charge, the Gas Cost Adjustment (GCA) Rider, and other riders applicable by class of service.
5. <u>Service Period</u>	Open order. However, the Company may require a special written contract for large use or abnormal service requirements. This contract shall include provisions for load limitations and for curtailment or interruptions as necessary, at the discretion of the Company, to prevent the load adversely affecting firm service customers in the area.

(D)

(T)

ISSUED: November 29, 2007

EFFECTIVE: January 1, 2008

(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 10
Cancelling Original Sheet

ATMOS ENERGY CORPORATION

General Firm Sales Service	
Rate G-1	
6. Late Payment Charge	(T)
A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for services rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.	
7. Rules and Regulations	(T)
Service furnished under this schedule is subject to the Company's Rules and Regulations and to applicable rate and rider schedules.	

ISSUED: November 29, 2007

EFFECTIVE: January 1, 2008

(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

ISSUED BY: Mark A. Martin Vice President - Rates & Regulatory Affairs/ Kentucky Midstates Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 10
Canceling
Original SHEET No. 10

ATMOS ENERGY CORPORATION

General Firm Sales Service	
Rate G-1	
6. Late Payment Charge	(T)
A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for services rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.	
7. Rules and Regulations	(T)
Service furnished under this schedule is subject to the Company's Rules and Regulations and to applicable rate and rider schedules.	

ISSUED: November 29, 2007

EFFECTIVE: January 1, 2008

(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999).

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 11

ATMOS ENERGY CORPORATION

Interruptible Sales Service	
Rate G-2	
1.	Applicable Entire Service Area of the Company. (See list of towns – Sheet No. 3)
2.	Availability of Service a) Available on an individually metered service basis to commercial and industrial customers for any use as approved by the Company on a strictly interruptible basis, subject to suitable service being available from the existing transmission and/or distribution facilities and when an adequate supply of gas is available to the Company under its purchase contracts with its pipeline supplier. b) The supply of gas provided for herein shall be sold primarily on an interruptible basis, however, in certain cases and under certain conditions the contract may include High Priority service to be billed under "General Sales Service Rate G-1" limited to use and volume which, in the Company's judgement, requires and justifies such combination service. c) The contract for service under this rate schedule shall include interruptible service or a combination of High Priority service and Interruptible service, however, the Company reserves the right to limit the volume of High Priority service available to any one customer.
3.	Delivery Volumes a) The volume of gas to be sold and purchases under this rate schedule shall be set forth in a written contract, specifying a maximum daily interruptible sales service volume and shall be subject to revision in accordance with the Company's approved curtailment plan.

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

ISSUED BY: William J. Senter

Vice President – Rates & Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 11
Canceling
Original SHEET No. 11

ATMOS ENERGY CORPORATION

Interruptible Sales Service	
Rate G-2	
1.	Applicable Entire Service Area of the Company. (See list of towns – Sheet No. 3)
2.	Availability of Service a) Available on an individually metered service basis to commercial and industrial customers with an expected demand of at least 9,000 Mcf per year for any use as approved by the Company on a strictly interruptible basis, subject to suitable service being available from the existing transmission and/or distribution facilities and when an adequate supply of gas is available to the Company under its purchase contracts with its pipeline supplier. (T) b) The supply of gas provided for herein shall be sold primarily on an interruptible basis, however, in certain cases and under certain conditions the contract may include High Priority service to be billed under "General Sales Service Rate G-1" limited to use and volume which, in the Company's judgment, requires and justifies such combination service. c) The contract for service under this rate schedule shall include interruptible service or a combination of High Priority service and Interruptible service, however, the Company reserves the right to limit the volume of High Priority service available to any one customer.
3.	Delivery Volumes a) The volume of gas to be sold and purchases under this rate schedule shall be set forth in a written contract, specifying a maximum daily interruptible sales service volume and shall be subject to revision in accordance with the Company's approved curtailment plan.

ISSUED: October 30, 2009

EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354)

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 12
CANCELING
Original SHEET No. 12

ATMOS ENERGY CORPORATION

Interruptible Sales Service	
Rate G-2	
a) <u>High Priority Service</u>	The volume for High Priority service shall be established on a High Priority Daily Contract Demand basis which shall be the maximum quantity the Company is obligated to deliver and which the customer may receive in any one day, subject to other provisions of this rate schedule and the related contract.
b) <u>Interruptible Service</u>	The volume for Interruptible service shall be established on an Interruptible Daily Contract Demand basis which shall be the maximum quantity the Company is obligated to deliver and which the customer may receive subject to other provisions of this rate schedule and the related contract.
c) <u>Revision of Delivery Volumes</u>	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:	\$250.00 per delivery point per month
Minimum Charge:	The Base Charge plus any Transportation Fee and EFM facilities charge
b) Distribution Charge:	
<u>High Priority Service</u> 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".	

ISSUED: August 1, 2007

EFFECTIVE: August 1, 2007

(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin

Vice President Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 12
Canceling
First Revised SHEET No. 12

ATMOS ENERGY CORPORATION

Interruptible Sales Service	
Rate G-2	
a) <u>High Priority Service</u>	The volume for High Priority service shall be established on a High Priority Daily Contract Demand basis which shall be the maximum quantity the Company is obligated to deliver and which the customer may receive in any one day, subject to other provisions of this rate schedule and the related contract.
b) <u>Interruptible Service</u>	The volume for Interruptible service shall be established on an Interruptible Daily Contract Demand basis which shall be the maximum quantity the Company is obligated to deliver and which the customer may receive subject to other provisions of this rate schedule and the related contract.
c) <u>Revision of Delivery Volumes</u>	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:	\$300.00 per delivery point per month
Minimum Charge:	The Base Charge plus any Transportation Fee and EFM facilities charge
b) Distribution Charge:	
<u>High Priority Service</u> 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".	

ISSUED: October 30, 2009

EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354)

ISSUED BY: Mark A. Martin - Vice President Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 13
CANCELING
Original SHEET No. 13

ATMOS ENERGY CORPORATION

Interruptible Sales Service	
Rate G-2	
<u>Interruptible Service</u>	
Gas used per month in excess of the High Priority Service shall be billed as follows:	
First 15,000 Mcf	\$0.6000 per 1,000 cubic feet
Over 15,000 Mcf	0.3800 per 1,000 cubic feet
b)	Gas Cost Adjustment (GCA) Rider, referenced on Sheet No. 23.
d)	Research & Development Rider (R.&D), referenced on Sheet No. 42.
¹ All gas consumed by the customer (Sales, Transportation, and Carriage; firm, high, load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.	

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Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 13
Canceling
First Revised SHEET No. 13

ATMOS ENERGY CORPORATION

Interruptible Sales Service	
Rate G-2	
<u>Interruptible Service</u>	
Gas used per month in excess of the High Priority Service shall be billed as follows:	
First 15,000 Mcf	\$0.6500 per 1,000 cubic feet
Over 15,000 Mcf	0.4100 per 1,000 cubic feet
¹ All gas consumed by the customer (Sales, Transportation, and Carriage; firm, high, load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.	

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ISSUED: August 1, 2007

EFFECTIVE: August 1, 2007

(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin

Vice President Regulatory Affairs/Kentucky Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 14

ATMOS ENERGY CORPORATION

Interruptible Sales Service Rate G-2
<p>5. <u>Standby or Auxiliary Equipment and Fuel</u></p> <p>It shall be the responsibility of the customer to provide and maintain such stand-by, auxiliary equipment and fuel, as the customer may, in its discretion, require to protect its fuel requirements and best interest and to assure continuous operation during any period of interruption of gas deliveries.</p> <p>6. <u>Alternative Fuel Responsive Flex Provision</u></p> <p>Notwithstanding any other provision of this tariff, the Company may, periodically, flex the otherwise applicable rate 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.</p> <p>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.</p> <p>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.</p>

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

ISSUED BY: William J. Senter Vice President – Rates & Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 14

ATMOS ENERGY CORPORATION

Interruptible Sales Service Rate G-2
<p>5. <u>Standby or Auxiliary Equipment and Fuel</u></p> <p>It shall be the responsibility of the customer to provide and maintain such stand-by, auxiliary equipment and fuel, as the customer may, in its discretion, require to protect its fuel requirements and best interest and to assure continuous operation during any period of interruption of gas deliveries.</p> <p>6. <u>Alternative Fuel Responsive Flex Provision</u></p> <p>Notwithstanding any other provision of this tariff, the Company may, periodically, flex the otherwise applicable rate 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.</p> <p>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.</p> <p>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.</p>

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

ISSUED BY: William J. Senter Vice President – Rates & Regulatory Affairs/Kentucky Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 15
CANCELING
Original SHEET No. 15

ATMOS ENERGY CORPORATION

Interruptible Sales Service
Rate G-2
<p>7. Curtailment</p> <p>All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtaiment Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission and for any causes due to force majeure (which includes acts of God, strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.</p> <p>8. Penalty for Unauthorized Overruns</p> <p>a) In the event a customer fails in part or in whole to comply with a Company Curtailment Order either as to time or volume of gas used or uses a greater quantity of gas than its allowed volume under terms of the Curtailment Order, the Company may, at its sole discretion, apply a penalty rate of up to \$15.00 per Mcf.</p> <p>b) In addition to other tariff penalty provisions, the customer shall be responsible for any incremental charges assessed by the interstate pipeline(s) or suppliers resulting from the customer's failure to comply with terms of a Company Curtailment Order. (T)</p> <p>c) The payment of penalty charges shall not be considered as giving any customer the right to take unauthorized volumes of gas nor shall such penalty charges be considered as a substitute for any other remedy available to the Company.</p>

ISSUED: August 1, 2007

EFFECTIVE: August 1, 2007

(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin

Vice President Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 15
CANCELING
Original SHEET No. 15

ATMOS ENERGY CORPORATION

Interruptible Sales Service
Rate G-2
<p>7. Curtailment</p> <p>All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtaiment Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission and for any causes due to force majeure (which includes acts of God, strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.</p> <p>8. Penalty for Unauthorized Overruns</p> <p>a) In the event a customer fails in part or in whole to comply with a Company Curtailment Order either as to time or volume of gas used or uses a greater quantity of gas than its allowed volume under terms of the Curtailment Order, the Company may, at its sole discretion, apply a penalty rate of up to \$15.00 per Mcf.</p> <p>b) In addition to other tariff penalty provisions, the customer shall be responsible for any incremental charges assessed by the interstate pipeline(s) or suppliers resulting from the customer's failure to comply with terms of a Company Curtailment Order. (T)</p> <p>c) The payment of penalty charges shall not be considered as giving any customer the right to take unauthorized volumes of gas nor shall such penalty charges be considered as a substitute for any other remedy available to the Company.</p>

ISSUED: August 1, 2007

EFFECTIVE: August 1, 2007

(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin

Vice President Regulatory Affairs/Kentucky Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 16

ATMOS ENERGY CORPORATION

Interruptible Sales Service Rate G-2
<p>9. <u>Special Provisions</u></p> <ul style="list-style-type: none">a) A written contract with a minimum term of one year shall be required.b) The Rules and Regulations and Orders of the Public Service Commission and of the Company and the Company's general terms and conditions applicable to industrial and commercial sales, shall apply to this rate schedule and all contracts thereunder.c) No gas delivered under this rate schedule and applicable contract shall be available for resale. <p>10. <u>Late Payment Charge</u></p> <p>A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.</p>

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

ISSUED BY: William J. Senter Vice President – Rates & Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 16

ATMOS ENERGY CORPORATION

Interruptible Sales Service Rate G-2
<p>9. <u>Special Provisions</u></p> <ul style="list-style-type: none">a) A written contract with a minimum term of one year shall be required.b) The Rules and Regulations and Orders of the Public Service Commission and of the Company and the Company's general terms and conditions applicable to industrial and commercial sales, shall apply to this rate schedule and all contracts thereunder.c) No gas delivered under this rate schedule and applicable contract shall be available for resale. <p>10. <u>Late Payment Charge</u></p> <p>A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.</p>

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

ISSUED BY: William J. Senter Vice President – Rates & Regulatory Affairs/Kentucky Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 17
CANCELING
First SHEET No. 17

ATMOS ENERGY CORPORATION

RESERVED FOR FUTURE USE

(D)

ISSUED: November 29, 2007 **EFFECTIVE:** January 1, 2008
(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin, Vice President Regulatory Affairs/Kentucky Midstates Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 17
CANCELING
First SHEET No. 17

ATMOS ENERGY CORPORATION

RESERVED FOR FUTURE USE

(D)

ISSUED: November 29, 2007 **EFFECTIVE:** January 1, 2008
(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin, Vice President Regulatory Affairs/Kentucky Midstates Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 18
CANCELING
First SHEET No. 18

ATMOS ENERGY CORPORATION

(D)
RESERVED FOR FUTURE USE

ISSUED: November 29, 2007 **EFFECTIVE:** January 1, 2008
(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin, Vice President Regulatory Affairs/Kentucky Midstates Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 18
CANCELING
First SHEET No. 18

ATMOS ENERGY CORPORATION

(D)
RESERVED FOR FUTURE USE

ISSUED: November 29, 2007 **EFFECTIVE:** January 1, 2008
(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin, Vice President Regulatory Affairs/Kentucky Midstates Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 21
CANCELING
First SHEET No. 21

ATMOS ENERGY CORPORATION

RESERVED FOR FUTURE USE

(D)

ISSUED: November 29, 2007 EFFECTIVE: January 1, 2008
(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin, Vice President Regulatory Affairs/Kentucky Midstates Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 21
Canceling
First SHEET No. 21

ATMOS ENERGY CORPORATION

RESERVED FOR FUTURE USE

(D)

ISSUED: November 29, 2007 EFFECTIVE: January 1, 2008
(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin, Vice President Regulatory Affairs/Kentucky Midstates Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Third Revised SHEET No. 22
CANCELING
Second SHEET No. 22

ATMOS ENERGY CORPORATION

Weather Normalization Adjustment Rider	
WNA	
1. Applicable	<p>Applicable to Rate G-1 Sales Service, excluding industrial class only.</p> <p>The distribution charge per Mcf for gas service as set forth in G-1 Sales Service shall be adjusted by an amount hereinafter described as the Weather Normalization Adjustment (WNA). The WNA shall be applicable to Rate G-1 Sales Service, excluding Industrial Sales Service.</p> <p>For a five year period commencing on November 1, 2005, the WNA shall apply to all residential, commercial and public authority bills based on meters read during the months of November through April. The WNA shall increase or decrease accordingly by month. The WNA will not be billed to reflect meters read during the months of May through October. Customer base loads and heating sensitivity factors will be determined by class and computed annually.</p>
2. Computation of Weather Normalization Adjustment	<p>The WNA shall be computed using the following formula:</p> $WNA_i = R_i \frac{(HSF_i (NDD - ADD))}{(BL_i + (HSF_i \times ADD))}$ <p>Where:</p> <p>i = any rate schedule or billing classification within a rate schedule that contains more than one billing classification</p> <p>WNA_i = Weather Normalization Adjustment Factor for the ith rate schedule or classification expressed as a rate per Mcf</p> <p>R_i = weighted average rate (distribution charge) of temperature sensitive sales for the ith schedule or classification</p> <p>HSF_i = heat sensitive factor for the ith schedule or classification</p> <p>NDD = normal billing cycle heating degree days (based upon NOAA 30-year normal for the period of 1971-2000)</p> <p>ADD = actual billing cycle heating degree days</p> <p>BL_i = base load for the ith schedule or classification</p>

ISSUED: August 1, 2007

EFFECTIVE: August 1, 2007

(Issued by Authority of an Order of the Public Service Commission in Case No. 2005-00268 dated September 19, 2005 and Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin

Vice President Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Fourth Revised SHEET No. 22
Canceling
Third Revised SHEET No. 22

ATMOS ENERGY CORPORATION

Weather Normalization Adjustment Rider	
WNA	
1. Applicable	<p>Applicable to Rate G-1 Sales Service, excluding industrial class only.</p> <p>The distribution charge per Mcf for gas service as set forth in G-1 Sales Service shall be adjusted by an amount hereinafter described as the Weather Normalization Adjustment (WNA). The WNA shall be applicable to Rate G-1 Sales Service, excluding Industrial Sales Service.</p> <p>The WNA shall apply to all residential, commercial and public authority bills based on meters read during the months of November through April. The WNA shall increase or decrease accordingly by month. The WNA will not be billed to reflect meters read during the months of May through October. Customer base loads and heating sensitivity factors will be determined by class and computed annually.</p>
2. Computation of Weather Normalization Adjustment	<p>The WNA shall be computed using the following formula:</p> $WNA_i = R_i \frac{(HSF_i (NDD - ADD))}{(BL_i + (HSF_i \times ADD))}$ <p>Where:</p> <p>i = any rate schedule or billing classification within a rate schedule that contains more than one billing classification</p> <p>WNA_i = Weather Normalization Adjustment Factor for the ith rate schedule or classification expressed as a rate per Mcf</p> <p>R_i = weighted average rate (distribution charge) of temperature sensitive sales for the ith schedule or classification</p> <p>HSF_i = heat sensitive factor for the ith schedule or classification</p> <p>NDD = normal billing cycle heating degree days (based upon NOAA 30-year normal for the period of 1971-2000)</p> <p>ADD = actual billing cycle heating degree days</p> <p>BL_i = base load for the ith schedule or classification</p>

ISSUED: October 30, 2009

EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354).

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 23
CANCELING
Original SHEET No. 23

ATMOS ENERGY CORPORATION

Gas Cost Adjustment Rider GCA
<p>1. Applicable</p> <p>Gas Tariffs in effect for the entire Service Area of the Company as designated in the particular tariff.</p> <p>2. Gas Cost Adjustment (GCA)</p> <p>The Company shall file a Quarterly Report with the Commission which shall contain an updated Gas Cost Adjustment (GCA) at least thirty (30) days prior to the beginning of each quarter. The quarterly GCA shall become effective in the months of February, May, August, and November. The GCA shall become effective for meter readings on and after the first day of the quarter. The Company may make out of time filings when warranted.</p> <p>3. Determination of GCA</p> <p>The amount computed under each of the rate schedules to which this GCA is applicable shall be increased or decreased at a rate per Mcf calculated for each billing quarter in accordance with the following formula as applicable to each rate class:</p> $\text{GCA} = \text{EGC} + \text{CF} + \text{RF}$ <p>Where:</p> <p>EGC – is the weighted average Expected Gas Cost per Mcf of gas supply which is reasonably expected to be experienced during the quarter the GCA will be applied for billings.</p>

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

ISSUED BY: Gary L. Smith

Vice President – Marketing & Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 23
CANCELING
Original SHEET No. 23

ATMOS ENERGY CORPORATION

Gas Cost Adjustment Rider GCA
<p>1. Applicable</p> <p>Gas Tariffs in effect for the entire Service Area of the Company as designated in the particular tariff.</p> <p>2. Gas Cost Adjustment (GCA)</p> <p>The Company shall file a Quarterly Report with the Commission which shall contain an updated Gas Cost Adjustment (GCA) at least thirty (30) days prior to the beginning of each quarter. The quarterly GCA shall become effective in the months of February, May, August, and November. The GCA shall become effective for meter readings on and after the first day of the quarter. The Company may make out of time filings when warranted.</p> <p>3. Determination of GCA</p> <p>The amount computed under each of the rate schedules to which this GCA is applicable shall be increased or decreased at a rate per Mcf calculated for each billing quarter in accordance with the following formula as applicable to each rate class:</p> $\text{GCA} = \text{EGC} + \text{CF} + \text{RF}$ <p>Where:</p> <p>EGC – is the weighted average Expected Gas Cost per Mcf of gas supply which is reasonably expected to be experienced during the quarter the GCA will be applied for billings.</p>

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

ISSUED BY: Gary L. Smith

Vice President – Marketing & Regulatory Affairs/Kentucky Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 24
CANCELING
First Revised SHEET No. 24

ATMOS ENERGY CORPORATION

Gas Cost Adjustment Rider GCA	
EGC is composed of the following:	
1) Expected commodity costs of all current purchases at reasonably expected prices, including all related variable delivery costs and FERC authorized charges billed to the Company on a commodity basis.	(T)
2) Expected non-commodity costs including pipeline demand charges, gas supplier reservation charges, and FERC authorized charges billed to the Company on a non-commodity basis.	(T)
3) The cost of other gas sources for system supply (no-notice supply, Company storage, withdrawals, etc.).	
Less	
4) The cost of gas purchases expected to be injected into underground storage.	
5) Projected recovery of non-commodity costs and Lost and Unaccounted for costs from transportation transactions.	(D)
6) The cost of Company-use volumes	(T) (D)
CF - is the Correction Factor per Mcf which compensates for the difference between the expected gas cost and the actual gas cost for prior periods.	
The Company shall file an updated Correction Factor (CF) in its January, April, July, and October GCA filings, to become effective in February, May, August, and November respectively.	

ISSUED: March 26, 2008
(Issued by Authority of an Order of the Public Service Commission in Case No. 2007-00200).

EFFECTIVE: May 1, 2008

ISSUED BY: Mark A. Martin

Vice President Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Third Revised SHEET No. 24
Canceling
Second Revised SHEET No. 24

ATMOS ENERGY CORPORATION

Gas Cost Adjustment Rider GCA	
EGC is composed of the following:	
1) Expected commodity costs of all current purchases at reasonably expected prices, including all related variable delivery costs and FERC authorized charges billed to the Company on a commodity basis.	
2) Expected non-commodity costs including pipeline demand charges, gas supplier reservation charges, and FERC authorized charges billed to the Company on a non-commodity basis.	
3) The cost of other gas sources for system supply (no-notice supply, Company storage, withdrawals, etc.).	
Less:	
4) The cost of gas purchases expected to be injected into underground storage.	
5) Projected recovery of non-commodity costs and Lost and Unaccounted for costs from transportation transactions.	
6) The cost of Company-use volume	
CF - is the Correction Factor per Mcf which compensates for the difference between the expected gas cost and the actual gas cost for prior periods plus any gas cost which is uncollectible.	
CF shall be calculated as:	
CF = (a/b) + (c/b), where	
a = difference between the expected gas cost and the actual gas cost for prior periods	
b = total expected annual customer sales volumes	
c = net uncollectible gas cost (i.e. uncollectible gas cost less subsequently collected gas cost)	
The Company shall file an updated Correction Factor (CF) in its January, April, July, and October GCA filings, to become effective in February, May, August, and November respectively. The net uncollectible gas costs (c) will be reported on an annual basis and included in the February quarterly GCA filing.	

ISSUED: October 30, 2009

EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354).

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 25
CANCELING
First SHEET No. 25

ATMOS ENERGY CORPORATION

Gas Cost Adjustment Rider GCA
<p>RF - is the sum of any Refund Factors filed in the current and three preceding quarterly filings. The current Refund Factor reflects refunds received from suppliers during the reporting period. The Refund Factor will be determined by dividing the refunds received plus estimated interest¹, by the annual sales used in the quarterly filing less transported volumes. After a refund factor has remained in effect for twelve months, the difference in the amount received and the amount refunded plus the accrued interest¹ will be rolled into the next refund calculation. The refund account will be operated independently of the CF and only added as a component to the GCA in order to obtain a net GCA. In the event of any large or unusual refunds, the Company may apply to the Commission for the right to depart from the refund procedure herein set forth.</p> <p>¹ At a rate equal to the average of the "3-Month Commercial Paper Rates" for the immediately preceding 12-month period less ½ of 1% to cover the costs of refunding as stated in the KPSC Order from Case No. 7157-KK. These monthly rates are reported in both the Federal Reserve Bulletin and the Federal Reserve Statistical Release.</p>

(D)

ISSUED: November 29, 2007
(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

EFFECTIVE: January 1, 2008

ISSUED BY: Mark A. Martin

Vice President Regulatory Affairs/Kentucky Midstates Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 25
CANCELING
First SHEET No. 25

ATMOS ENERGY CORPORATION

Gas Cost Adjustment Rider GCA
<p>RF - is the sum of any Refund Factors filed in the current and three preceding quarterly filings. The current Refund Factor reflects refunds received from suppliers during the reporting period. The Refund Factor will be determined by dividing the refunds received plus estimated interest¹, by the annual sales used in the quarterly filing less transported volumes. After a refund factor has remained in effect for twelve months, the difference in the amount received and the amount refunded plus the accrued interest¹ will be rolled into the next refund calculation. The refund account will be operated independently of the CF and only added as a component to the GCA in order to obtain a net GCA. In the event of any large or unusual refunds, the Company may apply to the Commission for the right to depart from the refund procedure herein set forth.</p> <p>¹ At a rate equal to the average of the "3-Month Commercial Paper Rates" for the immediately preceding 12-month period less ½ of 1% to cover the costs of refunding as stated in the KPSC Order from Case No. 7157-KK. These monthly rates are reported in both the Federal Reserve Bulletin and the Federal Reserve Statistical Release.</p>

(D)

ISSUED: November 29, 2007
(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

EFFECTIVE: January 1, 2008

ISSUED BY: Mark A. Martin

Vice President Regulatory Affairs/Kentucky Midstates Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 26
Cancelling
Original SHEET No. 26

ATMOS ENERGY CORPORATION

<u>PBR</u> Experimental Performance Based Rate Mechanism	
Applicable	
To all gas sold.	
Rate Mechanism	
The amount computed under each of the rate schedules to which this Performance Based Rate Mechanism is applicable shall be increased or decreased by the Performance Based Rate Recovery Factor (PBRRF) at a rate per 1,000 cubic feet (Mcf) of monthly gas consumption. Demand costs and commodity costs shall be accumulated separately and included in the pipeline suppliers Demand Component and the Gas Supply Cost Component of the Gas Cost Adjustment (GCA), respectively. The PBRRF shall be determined for each 12-month period ended October 31 during the effective term of these experimental performance based ratemaking mechanisms, which 12-month period shall be defined as the PBR period.	
The PBRRF shall be computed in accordance with the following formula:	
$PBRRF = (CSPBR + BA) / ES$	
Where:	
ES	= Expected Mcf sales, as reflected in the Company's GCA filing for the upcoming 12-month period beginning February 1.
CSPBR	= Company Share of Performance Based Ratemaking Mechanism savings or expenses. The CSPBR shall be calculated as follows:
$CSPBR = TPBRR \times ACSP$	
Where:	
ACSP = Applicable Company Sharing Percentage	
TPBRR = Total Performance Based Ratemaking Results. The TPBRR shall be savings or expenses created during the PBR period. TPBRR shall be calculated as follows:	
$TPBRR = (GAIF + TIF + OSSIF)$	

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ISSUED BY: Gary L. Smith Vice President - Marketing & Regulatory Affairs/Kentucky Division

Proposed

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ATMOS ENERGY CORPORATION

<u>PBR</u> Experimental Performance Based Rate Mechanism	
Applicable	
To all gas sold.	
Rate Mechanism	
The amount computed under each of the rate schedules to which this Performance Based Rate Mechanism is applicable shall be increased or decreased by the Performance Based Rate Recovery Factor (PBRRF) at a rate per 1,000 cubic feet (Mcf) of monthly gas consumption. Demand costs and commodity costs shall be accumulated separately and included in the pipeline suppliers Demand Component and the Gas Supply Cost Component of the Gas Cost Adjustment (GCA), respectively. The PBRRF shall be determined for each 12-month period ended October 31 during the effective term of these experimental performance based ratemaking mechanisms, which 12-month period shall be defined as the PBR period.	
The PBRRF shall be computed in accordance with the following formula:	
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Where:	
ES	= Expected Mcf sales, as reflected in the Company's GCA filing for the upcoming 12-month period beginning February 1.
CSPBR	= Company Share of Performance Based Ratemaking Mechanism savings or expenses. The CSPBR shall be calculated as follows:
$CSPBR = TPBRR \times ACSP$	
Where:	
ACSP = Applicable Company Sharing Percentage	
TPBRR = Total Performance Based Ratemaking Results. The TPBRR shall be savings or expenses created during the PBR period. TPBRR shall be calculated as follows:	
$TPBRR = (GAIF + TIF + OSSIF)$	

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 P.S.C. NO. 1
 Second Revised SHEET No. 27
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 Original SHEET No. 27

ATMOS ENERGY CORPORATION

PBR	
Experimental Performance Based Rate Mechanism (Continued)	
GAIF	
GAIF =	Gas Acquisition Index Factor. The GAIF shall be computed as follows: $GAIF = GAIFBL + GAIFSL + GAIFAM$
Where:	
	GAIFBL represents the Gas Acquisition Index Factor for Base Load system supply natural gas purchases.
	GAIFSL represents the Gas Acquisition Index Factor for Swing Load system supply natural gas purchases.
	GAIFAM represents the Gas Acquisition Index Factor for Asset Management, representing the portion of fixed discounts provided by the supplier for asset management rights, if any, not directly tied to per unit natural gas purchases
	GAIFBL
	The GAIFBL shall be calculated by comparing the Total Annual Benchmark Gas Commodity Costs for Base Load (TABGCCBL) system supply natural gas purchases for the PBR period to the Total Annual Actual Gas Commodity Costs for Base Load (TAAGCCBL) system supply natural gas purchases during the same period to determine if any shared expenses or shared savings exist.
	TABGCCBL represents the Total Annual Benchmark Gas Commodity Costs for Base Load gas purchases and equals the annual sum of the monthly Benchmark Gas Commodity Costs of gas purchased for Base Load (BGCCBL) system supply
	BGCCBL represents Benchmark Gas Commodity Costs for Base Load gas purchases and shall be calculated on a monthly basis and accumulated for the PBR period. BGCCBL shall be calculated as follows: $BGCCBL = \text{Sum} [(APVBLi - PEFDCQBL) \times SAIBLj] + (PEFDCQBL \times DAIBL)$
Where:	
	APVBL is the Actual Purchased Volumes of natural gas for Base Load system supply for the month. The APVBL shall include purchases necessary to cover retention volumes required by the pipeline as fuel.

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ATMOS ENERGY CORPORATION

PBR	
Experimental Performance Based Rate Mechanism (Continued)	
GAIF	
GAIF =	Gas Acquisition Index Factor. The GAIF shall be computed as follows: $GAIF = GAIFBL + GAIFSL + GAIFAM$
Where:	
	GAIFBL represents the Gas Acquisition Index Factor for Base Load system supply natural gas purchases.
	GAIFSL represents the Gas Acquisition Index Factor for Swing Load system supply natural gas purchases.
	GAIFAM represents the Gas Acquisition Index Factor for Asset Management, representing the portion of fixed discounts provided by the supplier for asset management rights, if any, not directly tied to per unit natural gas purchases
	GAIFBL
	The GAIFBL shall be calculated by comparing the Total Annual Benchmark Gas Commodity Costs for Base Load (TABGCCBL) system supply natural gas purchases for the PBR period to the Total Annual Actual Gas Commodity Costs for Base Load (TAAGCCBL) system supply natural gas purchases during the same period to determine if any shared expenses or shared savings exist.
	TABGCCBL represents the Total Annual Benchmark Gas Commodity Costs for Base Load gas purchases and equals the annual sum of the monthly Benchmark Gas Commodity Costs of gas purchased for Base Load (BGCCBL) system supply
	BGCCBL represents Benchmark Gas Commodity Costs for Base Load gas purchases and shall be calculated on a monthly basis and accumulated for the PBR period. BGCCBL shall be calculated as follows: $BGCCBL = \text{Sum} [(APVBLi - PEFDCQBL) \times SAIBLj] + (PEFDCQBL \times DAIBL)$
Where:	
	APVBL is the Actual Purchased Volumes of natural gas for Base Load system supply for the month. The APVBL shall include purchases necessary to cover retention volumes required by the pipeline as fuel.

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Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 28
Canceling
Original SHEET No. 28

ATMOS ENERGY CORPORATION

PBR
Experimental Performance Based Rate Mechanism (Continued)
<p>"I" represents each supply area.</p> <p>PEFDCQBL are the Base Load Purchases in Excess of Firm Daily Contract Quantities delivered to WKG's city gate. Firm Daily Contract Quantities are the maximum daily contract quantities which Company can deliver to its city gate under its various firm transportation agreements and arrangements.</p> <p>SAIBL is the Supply Area Index factor for Base Load to be established for each supply area in which Company has firm transportation entitlements used to transport its natural gas purchases and for which price postings are available. The five supply areas are TGT-SL (Texas Gas Transmission-Zone SL), TGT-1 (Texas Gas Transmission-Zone 1), TGPL-0 (Tennessee Gas Pipeline-Zone 0), and TGPL-1 (Tennessee Gas Pipeline-Zone 1), and TGC-ELA (Trunkline Gas Company-ELA).</p> <p>The monthly SAIBL for TGT-SL, TGT-1, TGPL-0, TGPL-1, and TGC-ELA shall be calculated using the following formula:</p> $\text{SAIBL} = [I(1) + I(2) + I(3) + I(4)] / 4$ <p>Where:</p> <p>"I" represents each index reflective of both supply area prices and price changes throughout the month in these various supply areas.</p> <p>The indices for each supply zone are as follows:</p> <p>SAIBL (TGT-SL)</p> <p>I (1) is the average of weekly <u>Natural Gas Week</u> postings for Texas Gas Transmission Corporation Zone SL: South Louisiana as Spot Prices on Interstate Pipeline Systems. I (2) is the average of the daily high and low <u>Gas Daily</u> postings for Louisiana-Onshore South Texas Gas Zone SL averaged for the month. I (3) is the <u>Inside FERC - Gas Market Report</u> first-of-the-month posting for Texas Gas Zone SL. I (4) is the <u>New York Mercantile Exchange</u> Settled Closing Price.</p>

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ATMOS ENERGY CORPORATION

PBR
Experimental Performance Based Rate Mechanism (Continued)
<p>"I" represents each supply area.</p> <p>PEFDCQBL are the Base Load Purchases in Excess of Firm Daily Contract Quantities delivered to WKG's city gate. Firm Daily Contract Quantities are the maximum daily contract quantities which Company can deliver to its city gate under its various firm transportation agreements and arrangements.</p> <p>SAIBL is the Supply Area Index factor for Base Load to be established for each supply area in which Company has firm transportation entitlements used to transport its natural gas purchases and for which price postings are available. The five supply areas are TGT-SL (Texas Gas Transmission-Zone SL), TGT-1 (Texas Gas Transmission-Zone 1), TGPL-0 (Tennessee Gas Pipeline-Zone 0), and TGPL-1 (Tennessee Gas Pipeline-Zone 1), and TGC-ELA (Trunkline Gas Company-ELA).</p> <p>The monthly SAIBL for TGT-SL, TGT-1, TGPL-0, TGPL-1, and TGC-ELA shall be calculated using the following formula:</p> $\text{SAIBL} = [I(1) + I(2) + I(3) + I(4)] / 4$ <p>Where:</p> <p>"I" represents each index reflective of both supply area prices and price changes throughout the month in these various supply areas.</p> <p>The indices for each supply zone are as follows:</p> <p>SAIBL (TGT-SL)</p> <p>I (1) is the average of weekly <u>Natural Gas Week</u> postings for Texas Gas Transmission Corporation Zone SL: South Louisiana as Spot Prices on Interstate Pipeline Systems. I (2) is the average of the daily high and low <u>Gas Daily</u> postings for Louisiana-Onshore South Texas Gas Zone SL averaged for the month. I (3) is the <u>Inside FERC - Gas Market Report</u> first-of-the-month posting for Texas Gas Zone SL. I (4) is the <u>New York Mercantile Exchange</u> Settled Closing Price.</p>

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Canceling
Original SHEET No. 29

ATMOS ENERGY CORPORATION

PBR	
Experimental Performance Based Rate Mechanism (Continued)	
<u>SAIBL (TGT-1)</u>	
I (1) is the average of weekly <u>Natural Gas Week</u> postings for Texas Gas Transmission Corporation Zone 1: North Louisiana as Spot Prices on Interstate Pipeline Systems.	(T)
I (2) is the average of the daily high and low <u>Gas Daily</u> postings for East Texas - North Louisiana Area - Texas Gas Zone 1 averaged for the month.	
I (3) is the <u>Inside FERC - Gas Market Report</u> first-of-the-month posting for Texas Gas Zone 1.	
I (4) is the <u>New York Mercantile Exchange</u> Settled Closing Price.	
<u>SAIBL (TGPI-0)</u>	
I (1) is the average of weekly <u>Natural Gas Week</u> postings for Tennessee Gas Pipeline Co. Zone 0: South Texas as Spot Prices on Interstate Pipeline Systems.	
I (2) is the average of the daily high and low <u>Gas Daily</u> postings for Texas South - Corpus Christi - Tennessee, Zone 0.	
I (3) is the <u>Inside FERC - Gas Market Report</u> first-of-the-month posting for Tennessee Zone 0.	(T)
I (4) is the <u>New York Mercantile Exchange</u> Settled Closing Price.	
<u>SAIBL (TGPI-1)</u>	
I (1) is the average of weekly <u>Natural Gas Week</u> postings for Tennessee Gas Pipeline Co. Zone 1: South Louisiana as Spot Prices on Interstate Pipeline Systems.	
I (2) is the average of the daily high and low <u>Gas Daily</u> postings for Louisiana-Onshore South - 500 leg and - 800 leg average for the month.	
I (3) is the <u>Inside FERC - Gas Market Report</u> first-of-the-month posting for Tennessee Zone 1.	
I (4) is the <u>New York Mercantile Exchange</u> Settled Closing Price.	
<u>SAIBL (TGC-ELA)</u>	
I (1) is the average of weekly <u>Natural Gas Week</u> postings for Trunkline Gas Co. East Louisiana as Spot Prices on Interstate Pipeline Systems.	
I (2) is the average of the daily high and low <u>Gas Daily</u> postings for Louisiana-Onshore South, Trunkline ELA.	
I (3) is the <u>Inside FERC - Gas Market Report</u> first-of-the-month posting for Trunkline Louisiana.	
I (4) is the <u>New York Mercantile Exchange</u> Settled Closing Price.	

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ATMOS ENERGY CORPORATION

PBR	
Experimental Performance Based Rate Mechanism (Continued)	
<u>SAIBL (TGT-1)</u>	
I (1) is the average of weekly <u>Natural Gas Week</u> postings for Texas Gas Transmission Corporation Zone 1: North Louisiana as Spot Prices on Interstate Pipeline Systems.	(T)
I (2) is the average of the daily high and low <u>Gas Daily</u> postings for East Texas - North Louisiana Area - Texas Gas Zone 1 averaged for the month.	
I (3) is the <u>Inside FERC - Gas Market Report</u> first-of-the-month posting for Texas Gas Zone 1.	
I (4) is the <u>New York Mercantile Exchange</u> Settled Closing Price.	
<u>SAIBL (TGPI-0)</u>	
I (1) is the average of weekly <u>Natural Gas Week</u> postings for Tennessee Gas Pipeline Co. Zone 0: South Texas as Spot Prices on Interstate Pipeline Systems.	
I (2) is the average of the daily high and low <u>Gas Daily</u> postings for Texas South - Corpus Christi - Tennessee, Zone 0.	
I (3) is the <u>Inside FERC - Gas Market Report</u> first-of-the-month posting for Tennessee Zone 0.	(T)
I (4) is the <u>New York Mercantile Exchange</u> Settled Closing Price.	
<u>SAIBL (TGPI-1)</u>	
I (1) is the average of weekly <u>Natural Gas Week</u> postings for Tennessee Gas Pipeline Co. Zone 1: South Louisiana as Spot Prices on Interstate Pipeline Systems.	
I (2) is the average of the daily high and low <u>Gas Daily</u> postings for Louisiana-Onshore South - 500 leg and - 800 leg average for the month.	
I (3) is the <u>Inside FERC - Gas Market Report</u> first-of-the-month posting for Tennessee Zone 1.	
I (4) is the <u>New York Mercantile Exchange</u> Settled Closing Price.	
<u>SAIBL (TGC-ELA)</u>	
I (1) is the average of weekly <u>Natural Gas Week</u> postings for Trunkline Gas Co. East Louisiana as Spot Prices on Interstate Pipeline Systems.	
I (2) is the average of the daily high and low <u>Gas Daily</u> postings for Louisiana-Onshore South, Trunkline ELA.	
I (3) is the <u>Inside FERC - Gas Market Report</u> first-of-the-month posting for Trunkline Louisiana.	
I (4) is the <u>New York Mercantile Exchange</u> Settled Closing Price.	

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Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 30
Canceling
Original SHEET No. 30

ATMOS ENERGY CORPORATION

PBR
Experimental Performance Based Rate Mechanism (Continued)
<p>DAIBL is the Delivery Area Index factor for Base Load to be established for purchases made by Company when Company has fully utilized its pipeline quantity entitlements on a daily basis and which are for delivery to Company's city gate from Texas Gas Transmission's Zone 2, 3 or 4, Tennessee Gas Pipeline's Zone 2, or Trunkline Gas Company's Zone 1B.</p> <p>The monthly DAIBL for TGT-2, 3, 4, TGPL-2, and TGC-1B shall be calculated using the following:</p> $DAIBL = [I(1) + I(2) + I(3)] / 3$ <p><u>DAIBL (TGT-2, 3, & 4), (TGPL-2) and (TGC-1B)</u></p> <p>I (1) is the average of weekly <u>Natural Gas Week</u> postings for Spot Prices on Interstate Pipeline Systems for Dominion – South. I (2) is the average of the daily high and low <u>Gas Daily</u> postings the Daily Price Survey for Dominion – South Point-Appalachia I (3) is the <u>Inside FERC – Gas Market Report</u> first-of-the-month posting for Prices of Spot Gas Delivered to Pipeline for Dominion Transmission Inc. – Appalachia.</p> <p>TAAGCCBL represents Company's Total Annual Actual Gas Commodity Costs for Base Load deliveries of natural gas purchased for system supply and is equal to the total monthly actual gas commodity costs.</p> <p>To the extent that TAAGCCBL exceeds TABGCCBL for the PBR period, then the GAIFBL Shared Expenses shall be computed as follows:</p> $GAIFBL \text{ Shared Expenses} = TAAGCCBL - TABGCCBL$ <p>To the extent that TAAGCCBL is less than TABGCCBL for the PBR period, then the GAIFBL Shared Savings shall be computed as follows:</p> $GAIFBL \text{ Shared Savings} = TABGCCBL - TAAGCCBL$

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ATMOS ENERGY CORPORATION

PBR
Experimental Performance Based Rate Mechanism (Continued)
<p>DAIBL is the Delivery Area Index factor for Base Load to be established for purchases made by Company when Company has fully utilized its pipeline quantity entitlements on a daily basis and which are for delivery to Company's city gate from Texas Gas Transmission's Zone 2, 3 or 4, Tennessee Gas Pipeline's Zone 2, or Trunkline Gas Company's Zone 1B.</p> <p>The monthly DAIBL for TGT-2, 3, 4, TGPL-2, and TGC-1B shall be calculated using the following:</p> $DAIBL = [I(1) + I(2) + I(3)] / 3$ <p><u>DAIBL (TGT-2, 3, & 4), (TGPL-2) and (TGC-1B)</u></p> <p>I (1) is the average of weekly <u>Natural Gas Week</u> postings for Spot Prices on Interstate Pipeline Systems for Dominion – South. I (2) is the average of the daily high and low <u>Gas Daily</u> postings the Daily Price Survey for Dominion – South Point-Appalachia I (3) is the <u>Inside FERC – Gas Market Report</u> first-of-the-month posting for Prices of Spot Gas Delivered to Pipeline for Dominion Transmission Inc. – Appalachia.</p> <p>TAAGCCBL represents Company's Total Annual Actual Gas Commodity Costs for Base Load deliveries of natural gas purchased for system supply and is equal to the total monthly actual gas commodity costs.</p> <p>To the extent that TAAGCCBL exceeds TABGCCBL for the PBR period, then the GAIFBL Shared Expenses shall be computed as follows:</p> $GAIFBL \text{ Shared Expenses} = TAAGCCBL - TABGCCBL$ <p>To the extent that TAAGCCBL is less than TABGCCBL for the PBR period, then the GAIFBL Shared Savings shall be computed as follows:</p> $GAIFBL \text{ Shared Savings} = TABGCCBL - TAAGCCBL$

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ATMOS ENERGY CORPORATION

PBR
Experimental Performance Based Rate Mechanism (Continued)
<p>GAIFSL</p> <p>The GAIFSL shall be calculated by comparing the Total Annual Benchmark Gas Commodity Costs for Swing Load (TABGCCSL) system supply natural gas purchases for swing load for the PBR period to the Total Annual Actual Gas Commodity Costs for Swing Load (TAAGCCSL) system supply natural gas purchases for during the same period to determine if any shared expenses or shared savings exist.</p> <p>TABGCCSL represents the Total Annual Benchmark Gas Commodity Costs for Swing Load gas purchases and equals the monthly Benchmark Gas Commodity Costs of gas purchased for Swing Load system supply (BGCCSL).</p> <p>BGCCSL represents Benchmark Gas Commodity Costs for Swing Load gas purchases and shall be calculated on a monthly basis and accumulated for the PBR period. BGCCSL shall be calculated as follows:</p> $BGCCSL = \text{Sum} [(APVSLi - PEFDCQSL) \times SAISLi] + (PEFDCQSL \times DAISL)$ <p>Where:</p> <p>APVSL is the Actual Purchased Volumes of natural gas for Swing Load system supply for the month. The APVSL shall include purchases necessary to cover retention volumes required by the pipeline as fuel.</p> <p>"i" represents each supply area.</p> <p>PEFDCQSL are the Purchases in Excess of Firm Daily Contract Quantities delivered to WKG's city gate. Firm Daily Contract Quantities are the maximum daily contract quantities which Company can deliver to its city gate under its various firm transportation agreements and arrangements.</p> <p>SAISL is the Supply Area Index factor for Swing Load to be established for each supply area in which Company has firm transportation entitlements used to transport its natural gas purchases and for which price postings are available. The five supply areas are TGT-SL (Texas Gas Transmission-Zone SL), TGT-1 (Texas Gas Transmission-Zone 1), TGPL-0 (Tennessee Gas Pipeline-Zone 0), and TGPL-1 (Tennessee Gas Pipeline-Zone 1), and TGC-ELA (Trunkline Gas Company-ELA).</p>

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PBR
Experimental Performance Based Rate Mechanism (Continued)
<p>GAIFSL</p> <p>The GAIFSL shall be calculated by comparing the Total Annual Benchmark Gas Commodity Costs for Swing Load (TABGCCSL) system supply natural gas purchases for swing load for the PBR period to the Total Annual Actual Gas Commodity Costs for Swing Load (TAAGCCSL) system supply natural gas purchases for during the same period to determine if any shared expenses or shared savings exist.</p> <p>TABGCCSL represents the Total Annual Benchmark Gas Commodity Costs for Swing Load gas purchases and equals the monthly Benchmark Gas Commodity Costs of gas purchased for Swing Load system supply (BGCCSL).</p> <p>BGCCSL represents Benchmark Gas Commodity Costs for Swing Load gas purchases and shall be calculated on a monthly basis and accumulated for the PBR period. BGCCSL shall be calculated as follows:</p> $BGCCSL = \text{Sum} [(APVSLi - PEFDCQSL) \times SAISLi] + (PEFDCQSL \times DAISL)$ <p>Where:</p> <p>APVSL is the Actual Purchased Volumes of natural gas for Swing Load system supply for the month. The APVSL shall include purchases necessary to cover retention volumes required by the pipeline as fuel.</p> <p>"i" represents each supply area.</p> <p>PEFDCQSL are the Purchases in Excess of Firm Daily Contract Quantities delivered to WKG's city gate. Firm Daily Contract Quantities are the maximum daily contract quantities which Company can deliver to its city gate under its various firm transportation agreements and arrangements.</p> <p>SAISL is the Supply Area Index factor for Swing Load to be established for each supply area in which Company has firm transportation entitlements used to transport its natural gas purchases and for which price postings are available. The five supply areas are TGT-SL (Texas Gas Transmission-Zone SL), TGT-1 (Texas Gas Transmission-Zone 1), TGPL-0 (Tennessee Gas Pipeline-Zone 0), and TGPL-1 (Tennessee Gas Pipeline-Zone 1), and TGC-ELA (Trunkline Gas Company-ELA).</p>

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PBR
Experimental Performance Based Rate Mechanism (Continued)
<p>The monthly SAISL for TGT-SL, TGT-1, TGPL-0, TGPL-1, and TGC-ELA shall be calculated using the following formula:</p> $\text{SAISL}_i = I(i)$ <p>Where:</p> <p>"I" represents each index reflective of both supply area prices and price changes throughout the month in these various supply areas.</p> <p>"i" represents each supply area.</p> <p>The index for each supply zone is as follows:</p> <p>SAISL (TGT-SL)</p> <p>I (1) is the average of the daily high and low <u>Gas Daily</u> postings for Louisiana-Onshore South Texas Gas Zone SL averaged for the month.</p> <p>SAISL (TGT-1)</p> <p>I (2) is the average of the daily high and low <u>Gas Daily</u> postings for East Texas - North Louisiana Area - Texas Gas Zone 1 averaged for the month.</p> <p>SAISL (TGPL-0)</p> <p>I (3) is the average of the daily high and low <u>Gas Daily</u> postings for Texas South - Corpus Christi - Tennessee, Zone 0.</p> <p>SAISL (TGPL-1)</p> <p>I (4) is the average of the daily high and low <u>Gas Daily</u> postings for Louisiana-Onshore South - 500 leg and - 800 leg average for the month.</p>

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PBR
Experimental Performance Based Rate Mechanism (Continued)
<p>The monthly SAISL for TGT-SL, TGT-1, TGPL-0, TGPL-1, and TGC-ELA shall be calculated using the following formula:</p> $\text{SAISL}_i = I(i)$ <p>Where:</p> <p>"I" represents each index reflective of both supply area prices and price changes throughout the month in these various supply areas.</p> <p>"i" represents each supply area.</p> <p>The index for each supply zone is as follows:</p> <p>SAISL (TGT-SL)</p> <p>I (1) is the average of the daily high and low <u>Gas Daily</u> postings for Louisiana-Onshore South Texas Gas Zone SL averaged for the month.</p> <p>SAISL (TGT-1)</p> <p>I (2) is the average of the daily high and low <u>Gas Daily</u> postings for East Texas - North Louisiana Area - Texas Gas Zone 1 averaged for the month.</p> <p>SAISL (TGPL-0)</p> <p>I (3) is the average of the daily high and low <u>Gas Daily</u> postings for Texas South - Corpus Christi - Tennessee, Zone 0.</p> <p>SAISL (TGPL-1)</p> <p>I (4) is the average of the daily high and low <u>Gas Daily</u> postings for Louisiana-Onshore South - 500 leg and - 800 leg average for the month.</p>

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ISSUED BY: Gary L. Smith

Vice President - Marketing & Regulatory Affairs/Kentucky Division

Present

FOR ENTIRE SERVICE AREA
 P.S.C. NO. 1
 Second Revised SHEET No. 33
 Canceling
 Original SHEET No. 33

ATMOS ENERGY CORPORATION

PBR
Experimental Performance Based Rate Mechanism (Continued)
<p><u>SAISL (TGC-ELA)</u></p> <p>I (5) is the average of the daily high and low <u>Gas Daily</u> postings for Louisiana-Onshore South, Trunkline ELA.</p> <p>DAISL is the Delivery Area Index factor for Swing Load to be established for purchases made by Company when Company has fully utilized its pipeline quantity entitlements on a daily basis and which are for delivery to Company's city gate from Texas Gas Transmission's Zone 2, 3 or 4, Tennessee Gas Pipeline's Zone 2, or Trunkline Gas Company's Zone 1B.</p> <p>The monthly DAISL for TGT-2, 3, 4, TGPL-2, and TGC-1B shall be calculated using the following:</p> <p align="center">DAISL = I(1)</p> <p><u>DAISL (TGT-2, 3, & 4), (TGPL-2) and (TGC-1B)</u></p> <p>I (1) is the average of the daily high and low <u>Gas Daily</u> postings the Daily Price Survey for Dominion - South Point.</p> <p>TAAGCCSL represents Company's Total Annual Actual Gas Commodity Costs for Swing Load deliveries to Company's city gate and is equal to the total monthly actual gas commodity costs.</p> <p>To the extent that TAAGCCSL exceeds TABGCCSL for the PBR period, then the GAIFSL Shared Expenses shall be computed as follows:</p> <p align="center">GAIFSL Shared Expenses = TAAGCCSL - TABGCCSL</p> <p>To the extent that TAAGCCSL is less than TABGCCSL for the PBR period, then the GAIFSL Shared Savings shall be computed as follows:</p> <p align="center">GAIFSL Shared Savings = TABGCCSL - TAAGCCSL</p>

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Proposed

FOR ENTIRE SERVICE AREA
 P.S.C. NO. 1
 Second Revised SHEET No. 33
 Canceling
 Original SHEET No. 33

ATMOS ENERGY CORPORATION

PBR
Experimental Performance Based Rate Mechanism (Continued)
<p><u>SAISL (TGC-ELA)</u></p> <p>I (5) is the average of the daily high and low <u>Gas Daily</u> postings for Louisiana-Onshore South, Trunkline ELA.</p> <p>DAISL is the Delivery Area Index factor for Swing Load to be established for purchases made by Company when Company has fully utilized its pipeline quantity entitlements on a daily basis and which are for delivery to Company's city gate from Texas Gas Transmission's Zone 2, 3 or 4, Tennessee Gas Pipeline's Zone 2, or Trunkline Gas Company's Zone 1B.</p> <p>The monthly DAISL for TGT-2, 3, 4, TGPL-2, and TGC-1B shall be calculated using the following:</p> <p align="center">DAISL = I(1)</p> <p><u>DAISL (TGT-2, 3, & 4), (TGPL-2) and (TGC-1B)</u></p> <p>I (1) is the average of the daily high and low <u>Gas Daily</u> postings the Daily Price Survey for Dominion - South Point.</p> <p>TAAGCCSL represents Company's Total Annual Actual Gas Commodity Costs for Swing Load deliveries to Company's city gate and is equal to the total monthly actual gas commodity costs.</p> <p>To the extent that TAAGCCSL exceeds TABGCCSL for the PBR period, then the GAIFSL Shared Expenses shall be computed as follows:</p> <p align="center">GAIFSL Shared Expenses = TAAGCCSL - TABGCCSL</p> <p>To the extent that TAAGCCSL is less than TABGCCSL for the PBR period, then the GAIFSL Shared Savings shall be computed as follows:</p> <p align="center">GAIFSL Shared Savings = TABGCCSL - TAAGCCSL</p>

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Vice President - Marketing & Regulatory Affairs/Kentucky Division

Present

FOR ENTIRE SERVICE AREA
 P.S.C. NO. 1
 Second Revised SHEET No. 34
 Canceling
 Original SHEET No. 34

ATMOS ENERGY CORPORATION

PBR
Experimental Performance Based Rate Mechanism (Continued)
TIF
<p>TIF = Transportation Index Factor. The Transportation Index Factor shall be calculated by comparing the Total Annual Benchmark Transportation Costs (TABTC) of natural gas transportation services during the PBR period to the Total Annual Actual Transportation Costs (TAATC) applicable to the same period to determine if any shared expenses or shared savings exist.</p> <p>The Total Annual Benchmark Transportation Costs (TABTC) are calculated as follows:</p> <p style="text-align: center;">TABTC = Annual Sum of Monthly BTC</p> <p>Where:</p> <p>BTC is the Benchmark Transportation Costs which include both pipeline demand and volumetric costs associated with natural gas pipeline transportation services. The BTC shall be accumulated for the PBR period and shall be calculated as follows:</p> <p style="text-align: center;">BTC = Sum [BM (TGT) + BM (TGPL) + BM (TGC) + BM (PPL)]</p> <p>Where:</p> <p>BM (TGT) is the benchmark associated with Texas Gas Transmission Corporation. BM (TGPL) is the benchmark associated with Tennessee Gas Pipeline Company. BM (TGC) is the benchmark associated with Trunkline Gas Company. BM (PPL) is the benchmark associated with a proxy pipeline. This benchmark, which will be determined at the time of purchase, will be used to benchmark purchases of transportation capacity from non-traditional sources.</p> <p>The benchmark associated with each pipeline shall be calculated as follows:</p> <p style="text-align: center;"> $BM (TGT) = (TPDR \times DQ) + (TPCR \times AV) + S\&DB$ $BM (TGPL) = (TPDR \times DQ) + (TPCR \times AV) + S\&DB$ $BM (TGC) = (TPDR \times DQ) + (TPCR \times AV) + S\&DB$ $BM (PPL) = (TPDR \times DQ) + (TPCR \times AV) + S\&DB$ </p> <p>Where:</p> <p>TPDR is the applicable Tariffed Pipeline Demand Rate.</p>

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Proposed

FOR ENTIRE SERVICE AREA
 P.S.C. NO. 1
 Second Revised SHEET No. 34
 Canceling
 Original SHEET No. 34

ATMOS ENERGY CORPORATION

PBR
Experimental Performance Based Rate Mechanism (Continued)
TIF
<p>TIF = Transportation Index Factor. The Transportation Index Factor shall be calculated by comparing the Total Annual Benchmark Transportation Costs (TABTC) of natural gas transportation services during the PBR period to the Total Annual Actual Transportation Costs (TAATC) applicable to the same period to determine if any shared expenses or shared savings exist.</p> <p>The Total Annual Benchmark Transportation Costs (TABTC) are calculated as follows:</p> <p style="text-align: center;">TABTC = Annual Sum of Monthly BTC</p> <p>Where:</p> <p>BTC is the Benchmark Transportation Costs which include both pipeline demand and volumetric costs associated with natural gas pipeline transportation services. The BTC shall be accumulated for the PBR period and shall be calculated as follows:</p> <p style="text-align: center;">BTC = Sum [BM (TGT) + BM (TGPL) + BM (TGC) + BM (PPL)]</p> <p>Where:</p> <p>BM (TGT) is the benchmark associated with Texas Gas Transmission Corporation. BM (TGPL) is the benchmark associated with Tennessee Gas Pipeline Company. BM (TGC) is the benchmark associated with Trunkline Gas Company. BM (PPL) is the benchmark associated with a proxy pipeline. This benchmark, which will be determined at the time of purchase, will be used to benchmark purchases of transportation capacity from non-traditional sources.</p> <p>The benchmark associated with each pipeline shall be calculated as follows:</p> <p style="text-align: center;"> $BM (TGT) = (TPDR \times DQ) + (TPCR \times AV) + S\&DB$ $BM (TGPL) = (TPDR \times DQ) + (TPCR \times AV) + S\&DB$ $BM (TGC) = (TPDR \times DQ) + (TPCR \times AV) + S\&DB$ $BM (PPL) = (TPDR \times DQ) + (TPCR \times AV) + S\&DB$ </p> <p>Where:</p> <p>TPDR is the applicable Tariffed Pipeline Demand Rate.</p>

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Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 35
Cancelling
Original SHEET No. 35

ATMOS ENERGY CORPORATION

PBR
Experimental Performance Based Rate Mechanism (Continued)
<p>DQ is the Demand Quantities contracted for by the Company from the applicable transportation provider.</p> <p>TPCR is the applicable Tariffed Pipeline Commodity Rate.</p> <p>AV is the Actual Volumes delivered at Company's city gate by the applicable transportation provider for the month.</p> <p>S&DB represents Surcharges, Direct Bills and other applicable amounts approved by the Federal Energy Regulatory Commission (FERC). Such amounts are limited to FERC approved charges such as surcharges, direct bills, cashouts, take-or-pay amounts, Gas Supply Realignment and other Order 636 transition costs.</p> <p>The Total Annual Actual Transportation Costs (TAATC) paid by Company for the PBR period shall include both pipeline demand and volumetric costs associated with natural gas pipeline transportation services as well as all applicable FERC approved surcharges, direct bills included in S&DB, less actual capacity release credits. Such costs shall exclude labor related or other expenses typically classified as operating and maintenance expenses.</p> <p>To the extent that TAATC exceeds TABTC for the PBR period, then the TIF Shared Expenses shall be computed as follows:</p> $\text{TIF Shared Expenses} = \text{TAATC} - \text{TABTC}$ <p>To the extent that the TAATC is less than TABTC for the PBR period, then the TIF Shared Savings shall be computed as follows:</p> $\text{TIF Shared Savings} = \text{TABTC} - \text{TAATC}$ <p>Should one of the Company's pipeline transporters file a rate change effective during any PBR period and bill such proposed rates subject to refund, the period over which the benchmark comparison is made for the relevant transportation costs will be extended for one or more 12 month periods, until the FERC has approved final settled rates, which will be used as the appropriate benchmark. Company will not share in any of the savings or expenses related to the affected pipeline until final settled rates are approved.</p> <p style="text-align: center;">OSSIF</p> <p>OSSIF - Off-System Sales Index Factor. The Off-System Sales Index Factor shall be equal to the Net Revenue from Off-System Sales (NR).</p>

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Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 35
Cancelling
Original SHEET No. 35

ATMOS ENERGY CORPORATION

PBR
Experimental Performance Based Rate Mechanism (Continued)
<p>DQ is the Demand Quantities contracted for by the Company from the applicable transportation provider.</p> <p>TPCR is the applicable Tariffed Pipeline Commodity Rate.</p> <p>AV is the Actual Volumes delivered at Company's city gate by the applicable transportation provider for the month.</p> <p>S&DB represents Surcharges, Direct Bills and other applicable amounts approved by the Federal Energy Regulatory Commission (FERC). Such amounts are limited to FERC approved charges such as surcharges, direct bills, cashouts, take-or-pay amounts, Gas Supply Realignment and other Order 636 transition costs.</p> <p>The Total Annual Actual Transportation Costs (TAATC) paid by Company for the PBR period shall include both pipeline demand and volumetric costs associated with natural gas pipeline transportation services as well as all applicable FERC approved surcharges, direct bills included in S&DB, less actual capacity release credits. Such costs shall exclude labor related or other expenses typically classified as operating and maintenance expenses.</p> <p>To the extent that TAATC exceeds TABTC for the PBR period, then the TIF Shared Expenses shall be computed as follows:</p> $\text{TIF Shared Expenses} = \text{TAATC} - \text{TABTC}$ <p>To the extent that the TAATC is less than TABTC for the PBR period, then the TIF Shared Savings shall be computed as follows:</p> $\text{TIF Shared Savings} = \text{TABTC} - \text{TAATC}$ <p>Should one of the Company's pipeline transporters file a rate change effective during any PBR period and bill such proposed rates subject to refund, the period over which the benchmark comparison is made for the relevant transportation costs will be extended for one or more 12 month periods, until the FERC has approved final settled rates, which will be used as the appropriate benchmark. Company will not share in any of the savings or expenses related to the affected pipeline until final settled rates are approved.</p> <p style="text-align: center;">OSSIF</p> <p>OSSIF - Off-System Sales Index Factor. The Off-System Sales Index Factor shall be equal to the Net Revenue from Off-System Sales (NR).</p>

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FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 36
Canceling
Original SHEET No. 36

ATMOS ENERGY CORPORATION

PBR	
Experimental Performance Based Rate Mechanism (Continued)	
Net Revenue is calculated as follows:	
	$NR = OSREV - OOPC$
Where:	
OSREV is the total revenue associated with off-system sales and storage service transactions.	
OOPC is the out-of-pocket costs associated with off-system sales and storage service transactions and shall be determined as follows:	
	$OOPC = OOPC(GC) + OOPC(TC) + OOPC(SC) + OOPC(UGSC) + \text{Other Costs}$
Where:	
OOPC (GC) is the Out-of-Pocket Gas Costs associated with off-system sales transactions. For off-system sales utilizing Company's firm supply contracts, the OOPC (GC) shall be the incremental costs to purchase the gas available under Company's firm supply contracts. For off-system sales not using Company's firm supply contracts, the OOPC (GC) shall be the incremental costs to purchase the gas from other entities.	
OOPC (TC) is the Out-of-Pocket Transportation Costs associated with off-system sales transactions. For off-system sales utilizing Company's firm transportation agreements, the OOPC (TC) shall be the incremental cost to use the transportation available under Company's firm supply contracts. For off-system sales not using Company's firm transportation agreements, the OOPC (TC) shall be the incremental costs to purchase the transportation from other entities.	
OOPC (SC) is the Out-of-Pocket Storage Costs associated with off-system sales of storage. If this is gas in Company's own storage or gas stored with Tennessee Gas Pipeline it shall be priced at the average price of the gas in Company's storage during the month of sale. If this is gas from the storage component of Texas Gas's No-Notice Service, this gas shall be priced at the replacement costs.	
OOPC (UGSC) is the Out-of-Pocket Underground Storage Costs associated with off-system sales of storage services. For the off-system sales of storage services utilizing Company's on-system storage, the OOPC (UGSC) shall include incremental storage losses, odorization, and other fuel-related costs such as purification, dehydration, and compression. Such costs shall exclude labor-related expenses.	
Other Costs represent all other incremental costs and include, but are not limited to, costs such as applicable sales taxes and excise fees. Such costs shall exclude labor-related or other expenses typically classified as operating and maintenance expenses.	

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FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 36
Canceling
Original SHEET No. 36

ATMOS ENERGY CORPORATION

PBR	
Experimental Performance Based Rate Mechanism (Continued)	
Net Revenue is calculated as follows:	
	$NR = OSREV - OOPC$
Where:	
OSREV is the total revenue associated with off-system sales and storage service transactions.	
OOPC is the out-of-pocket costs associated with off-system sales and storage service transactions and shall be determined as follows:	
	$OOPC = OOPC(GC) + OOPC(TC) + OOPC(SC) + OOPC(UGSC) + \text{Other Costs}$
Where:	
OOPC (GC) is the Out-of-Pocket Gas Costs associated with off-system sales transactions. For off-system sales utilizing Company's firm supply contracts, the OOPC (GC) shall be the incremental costs to purchase the gas available under Company's firm supply contracts. For off-system sales not using Company's firm supply contracts, the OOPC (GC) shall be the incremental costs to purchase the gas from other entities.	
OOPC (TC) is the Out-of-Pocket Transportation Costs associated with off-system sales transactions. For off-system sales utilizing Company's firm transportation agreements, the OOPC (TC) shall be the incremental cost to use the transportation available under Company's firm supply contracts. For off-system sales not using Company's firm transportation agreements, the OOPC (TC) shall be the incremental costs to purchase the transportation from other entities.	
OOPC (SC) is the Out-of-Pocket Storage Costs associated with off-system sales of storage. If this is gas in Company's own storage or gas stored with Tennessee Gas Pipeline it shall be priced at the average price of the gas in Company's storage during the month of sale. If this is gas from the storage component of Texas Gas's No-Notice Service, this gas shall be priced at the replacement costs.	
OOPC (UGSC) is the Out-of-Pocket Underground Storage Costs associated with off-system sales of storage services. For the off-system sales of storage services utilizing Company's on-system storage, the OOPC (UGSC) shall include incremental storage losses, odorization, and other fuel-related costs such as purification, dehydration, and compression. Such costs shall exclude labor-related expenses.	
Other Costs represent all other incremental costs and include, but are not limited to, costs such as applicable sales taxes and excise fees. Such costs shall exclude labor-related or other expenses typically classified as operating and maintenance expenses.	

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Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 37
Canceling
Original SHEET No. 37

ATMOS ENERGY CORPORATION	
PBR	
Experimental Performance Based Rate Mechanism (Continued)	
ACSP	
ACSP = Applicable Company Sharing Percentage. The ACSP shall be determined based on the PTAGSC.	
Where:	PTAGSC = Percentage of Total Actual Gas Supply Costs. The PTAGSC shall be the TPBRR stated as a Percentage of Total Actual Gas Supply Costs and shall be calculated as follows:
	$PTAGSC = TPBRR / TAGSC$
Where:	TAGSC = Total Actual Gas Supply Costs. The TAGSC shall be calculated as follows:
	$TAGSC = TAAGCCBL + TAAGCCSL + TAATC$
If the absolute value of the PTAGSC is less than or equal to 2.0%, then the ACSP of 30% shall be applied to TPBRR to determine CSPBR. If the absolute value of the PTAGSC is greater than 2.0%, then the ACSP of 30% shall be applied to the amount of TPBRR that is equal to 2.0% of TAGSC to determine a portion of CSPBR, and the ACSP of 50% shall be applied to the amount of TPBRR that is in excess of 2.0% of TAGSC to determine a portion of CSPBR. These two portions are added together to produce the total CSPBR.	
BA	
BA = Balance Adjustment. The BA is used to reconcile the difference between the amount of revenues billed or credited through the CSPBR and previous application of the BA and revenues which should have been billed or credited, as follows:	
1.	For the CSPBR, the balance adjustment amount will be the difference between the amount billed in a 12 month period from the application of the CSPBR and the actual amount used to establish the CSPBR for the period.
2.	For the BA, the balance adjustment amount will be the difference between the amount billed in a 12-month period from the application of the BA and the actual amount used to establish the BA for the period.
Annual Reports	
Atmos Energy shall file annual reports to the Kentucky Public Service Commission, describing activities and financial results under the PBR program. These reports shall be filed by August 31 of each calendar year, commencing in 2007.	
Review	
Within 60 days of the end of the third year of the four-extension, the Company will file an assessment and review of the PBR mechanism for the first three years of the extension period. In that report and assessment, the Company will make any recommended modifications to the PBR mechanism.	

ISSUED: February 24, 2006
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ISSUED BY: Gary L. Smith Vice President - Marketing & Regulatory Affairs/Kentucky Division

EFFECTIVE: June 1, 2006

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FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 37
Canceling
Original SHEET No. 37

ATMOS ENERGY CORPORATION	
PBR	
Experimental Performance Based Rate Mechanism (Continued)	
ACSP	
ACSP = Applicable Company Sharing Percentage. The ACSP shall be determined based on the PTAGSC.	
Where:	PTAGSC = Percentage of Total Actual Gas Supply Costs. The PTAGSC shall be the TPBRR stated as a Percentage of Total Actual Gas Supply Costs and shall be calculated as follows:
	$PTAGSC = TPBRR / TAGSC$
Where:	TAGSC = Total Actual Gas Supply Costs. The TAGSC shall be calculated as follows:
	$TAGSC = TAAGCCBL + TAAGCCSL + TAATC$
If the absolute value of the PTAGSC is less than or equal to 2.0%, then the ACSP of 30% shall be applied to TPBRR to determine CSPBR. If the absolute value of the PTAGSC is greater than 2.0%, then the ACSP of 30% shall be applied to the amount of TPBRR that is equal to 2.0% of TAGSC to determine a portion of CSPBR, and the ACSP of 50% shall be applied to the amount of TPBRR that is in excess of 2.0% of TAGSC to determine a portion of CSPBR. These two portions are added together to produce the total CSPBR.	
BA	
BA = Balance Adjustment. The BA is used to reconcile the difference between the amount of revenues billed or credited through the CSPBR and previous application of the BA and revenues which should have been billed or credited, as follows:	
1.	For the CSPBR, the balance adjustment amount will be the difference between the amount billed in a 12 month period from the application of the CSPBR and the actual amount used to establish the CSPBR for the period.
2.	For the BA, the balance adjustment amount will be the difference between the amount billed in a 12-month period from the application of the BA and the actual amount used to establish the BA for the period.
Annual Reports	
Atmos Energy shall file annual reports to the Kentucky Public Service Commission, describing activities and financial results under the PBR program. These reports shall be filed by August 31 of each calendar year, commencing in 2007.	
Review	
Within 60 days of the end of the third year of the four-extension, the Company will file an assessment and review of the PBR mechanism for the first three years of the extension period. In that report and assessment, the Company will make any recommended modifications to the PBR mechanism.	

ISSUED: February 24, 2006
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ISSUED BY: Gary L. Smith Vice President - Marketing & Regulatory Affairs/Kentucky Division

EFFECTIVE: June 1, 2006

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 38
Cancelling
Original SHEET No. 38

ATMOS ENERGY CORPORATION	(D)
Reserved for Future Use	

ISSUED: August 1, 2007

EFFECTIVE: August 1, 2007

(Issued by Authority of an Order of the Public Service Commission in Case No.2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin

Vice President Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 38
Cancelling
Original SHEET No. 38

ATMOS ENERGY CORPORATION	(D)
Reserved for Future Use	

ISSUED: August 1, 2007

EFFECTIVE: August 1, 2007

(Issued by Authority of an Order of the Public Service Commission in Case No.2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin

Vice President Regulatory Affairs/Kentucky Division

Present

Proposed

**FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Third Revised SHEET No. 39
Cancelling
Second Revised SHEET No. 39**

**FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Third Revised SHEET No. 39
Cancelling
Second Revised SHEET No. 39**

ATMOS ENERGY CORPORATION

ATMOS ENERGY CORPORATION

Demand-Side Management Cost Recovery Mechanism
DSM

Demand-Side Management Cost Recovery Mechanism
DSM

1. Applicable

1. Applicable

Applicable to Rate G-1 Sales Service, residential class only.

Applicable to Rate G-1 Sales Service, residential class only.

The Distribution Charge under Residential Rate G-1 Sales Service, shall be increased or decreased for nine annual periods beginning January 2009 and continuing through December 31, 2011 by the DSM Cost Recovery Component (DSMRC) at a rate per Mcf in accordance with the following formula:

The Distribution Charge under Residential Rate G-1 Sales Service, shall be increased or decreased for nine annual periods beginning January 2009 and continuing through December 31, 2011 by the DSM Cost Recovery Component (DSMRC) at a rate per Mcf in accordance with the following formula:

$$DSMRC = DCRC + DLSA + DIA + DBA$$

$$DSMRC = DCRC + DLSA + DIA + DBA$$

Where:

Where:

DCRC = DSM Cost Recovery-Current. The DCRC shall include all actual costs, direct and indirect, under this program which has been approved by the Commission. This includes all direct costs associated with the program including rebates paid under the program, the cost of educational supplies, and customer awareness related to conservation/efficiency. In addition, indirect costs shall include the costs of planning, developing, implementing, monitoring, and evaluating DSM programs. In addition, all costs incurred by or on behalf of the program, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the DCRC.

DCRC = DSM Cost Recovery-Current. The DCRC shall include all actual costs, direct and indirect, under this program which has been approved by the Commission. This includes all direct costs associated with the program including rebates paid under the program, the cost of educational supplies, and customer awareness related to conservation/efficiency. In addition, indirect costs shall include the costs of planning, developing, implementing, monitoring, and evaluating DSM programs. In addition, all costs incurred by or on behalf of the program, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the DCRC.

DLSA = DSM Lost Sales Adjustment. To effectively promote and execute the program, the Company shall recover the annual lost sales attributable to customer conservation/efficiency created as a result of the Program. This aligns the Company's interest with that of its customers by reducing the correlation between volume and revenue for those customers who elect to participate in the program. The lost sales are the estimated conservation, per participant, times the base rate for the applicable customer. The goal is to make the Company whole for promoting the program. Lost sales are based on the cumulative lost sales since the program inception and will reset when the Company completes a general rate case.

DLSA = DSM Lost Sales Adjustment. To effectively promote and execute the program, the Company shall recover the annual lost sales attributable to customer conservation/efficiency created as a result of the Program. This aligns the Company's interest with that of its customers by reducing the correlation between volume and revenue for those customers who elect to participate in the program. The lost sales are the estimated conservation, per participant, times the base rate for the applicable customer. The goal is to make the Company whole for promoting the program. Lost sales are based on the cumulative lost sales since the program inception and will reset when the Company completes a general rate case.

ISSUED: December 2, 2008 **EFFECTIVE:** September 2, 2009
(Issued by Authority of an Order of the Public Service Commission in Case No. 2008-00499 dated September 2, 2009)

ISSUED: December 2, 2008 **EFFECTIVE:** September 2, 2009
(Issued by Authority of an Order of the Public Service Commission in Case No. 2008-00499 dated September 2, 2009)

ISSUED BY: Mark A. Martin Vice President – Rates & Regulatory Affairs/Kentucky Division/Mid-States Division

ISSUED BY: Mark A. Martin Vice President – Rates & Regulatory Affairs/Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 40
Cancelling
Original SHEET No. 40

ATMOS ENERGY CORPORATION

Demand-Side Management Cost Recovery Mechanism	
DSM	
DIA =	DSM Incentive Adjustment. As a result of the program, the customers who participate in the program will save on their gas bills due to decreased usage, which results in decreased commodity charges. As an incentive for the Company to devote the necessary monetary and physical resources to promote and administer the program, the Company will earn a fifteen percent (15%) incentive based on the net resource savings of the Program participants. (N)
	Net resource savings are defined as Program benefits less utility Program costs and participant costs where Program benefits will be calculated on the basis of the present value of Atmos' avoided commodity costs over the expected life of the Program. For the purpose of calculating the Program benefits, a ten year Program life is assumed with future gas costs over the ten-year period based on projection in the Department of Energy's <i>Annual Energy Outlook</i> . The present value is calculated based on Atmos' discount rate used for financial reporting purposes which is based on the rates of high-quality fixed-income investment.
DBA =	DSM Balance Adjustment. The DBA shall be calculated on a calendar year basis and be used to reconcile the difference between the amount of revenues actually billed through the DSMRC and the revenues which should have been billed. (T)
	The DBA for the upcoming twelve-month period shall be calculated as the sum of the balance adjustments for the DCRC, DLSA and DIA. For the DCRC, DLSA and DIA, the balance adjustment shall be the difference between the amount billed in a twelve-month period and the actual cost of the DSM Program during the same twelve-month period. (T)
	The balance adjustment amounts calculated will include interest to be calculated at a rate equal to the average of "3-month Commercial Paper Rate" for the immediately preceding twelve-month period. (D)
	The Company will file modifications to the DSMRC on an annual basis at least two months prior to the beginning of the effective upcoming twelve-month period for billing. This annual filing shall include detailed calculations of the DCRC, DLSA, DIA and the DBA, as well as data on the total cost of the DSM Program over the twelve-month period. The calculations plus interest shall be divided by the expected Mcf sales for the upcoming twelve-month period to determine the DSMRC. (T)

ISSUED: December 1, 2008
(Issued by Authority of an Order by the Public Service in Case No. 2008-00499 dated September 2, 2009).

EFFECTIVE: September 2, 2009

ISSUED BY: Mark A. Martin- Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 40
Cancelling
Original SHEET No. 40

ATMOS ENERGY CORPORATION

Demand-Side Management Cost Recovery Mechanism	
DSM	
DIA =	DSM Incentive Adjustment. As a result of the program, the customers who participate in the program will save on their gas bills due to decreased usage, which results in decreased commodity charges. As an incentive for the Company to devote the necessary monetary and physical resources to promote and administer the program, the Company will earn a fifteen percent (15%) incentive based on the net resource savings of the Program participants. (N)
	Net resource savings are defined as Program benefits less utility Program costs and participant costs where Program benefits will be calculated on the basis of the present value of Atmos' avoided commodity costs over the expected life of the Program. For the purpose of calculating the Program benefits, a ten year Program life is assumed with future gas costs over the ten-year period based on projection in the Department of Energy's <i>Annual Energy Outlook</i> . The present value is calculated based on Atmos' discount rate used for financial reporting purposes which is based on the rates of high-quality fixed-income investment.
DBA =	DSM Balance Adjustment. The DBA shall be calculated on a calendar year basis and be used to reconcile the difference between the amount of revenues actually billed through the DSMRC and the revenues which should have been billed. (T)
	The DBA for the upcoming twelve-month period shall be calculated as the sum of the balance adjustments for the DCRC, DLSA and DIA. For the DCRC, DLSA and DIA, the balance adjustment shall be the difference between the amount billed in a twelve-month period and the actual cost of the DSM Program during the same twelve-month period. (T)
	The balance adjustment amounts calculated will include interest to be calculated at a rate equal to the average of "3-month Commercial Paper Rate" for the immediately preceding twelve-month period. (D)
	The Company will file modifications to the DSMRC on an annual basis at least two months prior to the beginning of the effective upcoming twelve-month period for billing. This annual filing shall include detailed calculations of the DCRC, DLSA, DIA and the DBA, as well as data on the total cost of the DSM Program over the twelve-month period. The calculations plus interest shall be divided by the expected Mcf sales for the upcoming twelve-month period to determine the DSMRC. (T)

ISSUED: December 1, 2008
(Issued by Authority of an Order by the Public Service in Case No. 2008-00499 dated September 2, 2009).

EFFECTIVE: September 2, 2009

ISSUED BY: Mark A. Martin- Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
 P.S.C. NO. 1
 Eighth Revised Sheet No. 41
 Cancelling
 Seventh Revised Sheet No. 41

ATMOS ENERGY CORPORATION

Demand-Side Management Cost Recovery Mechanism	
DSM	
<u>DSM Cost Recovery Component (DSMRC):</u>	
DSM Cost Recovery – Current:	\$0.0850 per Mcf
DSM Lost Sales Adjustment	\$0.0020 per Mcf
DSM Incentive Adjustment	\$0.0080 per Mcf
DSM Balance Adjustment:	<u>(\$0.0700) per Mcf</u>
DSMRC Residential Rate G-1	\$0.0250 per Mcf

(I)
(N)
(N)
(N)
(N)
(I)

ISSUED: December 1, 2008

EFFECTIVE: September 2, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2008-00499 date September 2, 2009).

BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Proposed

FOR ENTIRE SERVICE AREA
 P.S.C. NO. 1
 Eighth Revised Sheet No. 41
 Cancelling
 Seventh Revised Sheet No. 41

ATMOS ENERGY CORPORATION

Demand-Side Management Cost Recovery Mechanism	
DSM	
<u>DSM Cost Recovery Component (DSMRC):</u>	
DSM Cost Recovery – Current:	\$0.0850 per Mcf
DSM Lost Sales Adjustment	\$0.0020 per Mcf
DSM Incentive Adjustment	\$0.0080 per Mcf
DSM Balance Adjustment:	<u>(\$0.0700) per Mcf</u>
DSMRC Residential Rate G-1	\$0.0250 per Mcf

(I)
(N)
(N)
(N)
(I)

ISSUED: December 1, 2008

EFFECTIVE: September 2, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2008-00499 date September 2, 2009).

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 42
CANCELING
Original SHEET No. 42

ATMOS ENERGY CORPORATION

Research & Development Rider	
R & D Unit Charge	
Applicable: This rider applies to the distribution charge applicable to all gas transported by the Company other than Rate T-3 and T-4 Carriage Service.	(T)
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.	(T)
R&D Unit Charge @ \$0.0035 per 1,000 cubic feet	(T)
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.	
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.	(T)
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.	
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 rescision with the Commission.	

ISSUED: August 1, 2007

EFFECTIVE: August 1, 2007

(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin

Vice President Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 42
CANCELING
Original SHEET No. 42

ATMOS ENERGY CORPORATION

Research & Development Rider	
R & D Unit Charge	
Applicable: This rider applies to the distribution charge applicable to all gas transported by the Company other than Rate T-3 and T-4 Carriage Service.	(T)
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.	(T)
R&D Unit Charge @ \$0.0035 per 1,000 cubic feet	(T)
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.	
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.	(T)
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.	
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 rescision with the Commission.	

ISSUED: August 1, 2007

EFFECTIVE: August 1, 2007

(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin

Vice President Regulatory Affairs/Kentucky Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 43

ATMOS ENERGY CORPORATION

Storage Transportation Service	
Rate T-1	
1. Applicable	Entire Service Area of the Company.
2. Availability of Service	Available to customers who own storage facilities and have purchased or transported natural gas from the Company for the purpose of seasonal storage and require transportation through Company pipelines to the point of storage and/or utilization, subject to suitable service being available from existing facilities.
3. Net Monthly Rate	All Mcf @ \$ 0.150 per 1,000 cubic feet Any additions or modifications of the Company's facilities required to perform this service shall be at the sole expense of the customer.
4. Terms and Conditions	a) Specific details relating to volumes, delivery points, and other matters shall be covered by a separate contract with the individual customers. b) The Company shall have the right any time, without liability to the customer, to curtail or to discontinue the delivery of gas entirely to the customer for any period of time when such curtailment or discontinuance is, in the Company's sole discretion, necessary to protect the requirements of domestic and commercial customers; to comply with any restriction or curtailment as may be imposed by any governmental agency having jurisdiction over the Company or its supplier, or to comply with any restriction or curtailment as may be imposed by the Company's supplier, to protect and assure the operation of the Company's underground storage system; or for any causes due to force majeure; so that the Company may maintain the operating efficiency of its system in a safe and orderly manner.

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

(Issued by Authority of Kentucky Public Service Commission Order - Case No. 10063).

ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 43
Canceling
Original SHEET No. 43

ATMOS ENERGY CORPORATION

Pipe Replacement Program Rider	
PRP	
1. Applicable	Applicable to all customers receiving service under the Company's Rate Schedules G-1, G-2, T-3 and T-4.
2. Calculation of Pipe Replacement Rider Revenue Requirement	The PRP Revenue Requirement includes the following: a) PRP-related Plant In-Service not included in base gas rates minus the associated PRP-related accumulated depreciation and accumulated deferred income taxes; b) Retirement and removal of plant related PRP construction; c) The rate of return on the net rate base is the overall rate of return on capital authorized in the Company's latest base gas rate case, grossed up for federal and state income taxes; d) Depreciation expense on the PRP equals related Plant In-Service less retirement and removals; e) Reduction for savings in Operating and Maintenance expenses; and, f) Adjustment for ad valorem taxes.
3. Pipe Replacement Program Factors	All customers receiving service under tariff Rate Schedules G-1, G-2, T-3 and T-4 shall be assessed an adjustment to their applicable rate schedule that will enable the Company to complete the pipe replacement program. The allocation to G-1 residential, G-1 non-residential, G-2, T-3 and T-4 will be in proportion to their relative base revenue share approved in Case No. 2009-00354. For G-1 services, the adjustment shall be reflected in full as a monthly adjustment to the tariff customer charge. For G-2, T-3 and T-4 services, the adjustment will be spread to the tariff customer charge and distribution charge in proportion to the relative base revenue share as approved in Case No. 2009-00354. The PRP Rider will be filed annually on or around August 1 st of each year. The filing will reflect the anticipated impact on the Company's revenue requirements of net plant additions as offset by operations and maintenance expense reductions during the upcoming fiscal year ending each September as well as a balancing adjustment for the preceding fiscal year. Such adjustment to the Rider will become effective with meter readings on and after the first billing cycle of October.

ISSUED: October 30, 2009

EFFECTIVE: December 1, 2009

(Issued by Authority of Kentucky Public Service Commission Order in Case No. 2009-00354).

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 44

ATMOS ENERGY CORPORATION

Storage Transportation Service Rate T-1
<p>c) The Company will not be obligated to deliver a total supply of gas to a customer in excess of that customer's Base Period Volumes.</p> <p>d) It shall be the customer's responsibility to make all necessary arrangements, including regulatory approvals, required to deliver gas transported under this tariff to the facilities of the Company.</p> <p>e) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.</p> <p>f) The Rules, Regulations and Orders of the Public Service Commission and of the Company, and the Company's general terms and conditions applicable to industrial sales, shall apply to this Tariff and all contracts thereunder.</p>

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

(Issued by Authority of Kentucky Public Service Commission Order - Case No. 10063).

ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

Proposed

P.S.C. NO. 1
First Revised Sheet No. 44
Canceling
Original SHEET No. 44

ATMOS ENERGY CORPORATION

Pipe Replacement Program Rider		
<p>4. Pipe Replacement Rider Rates The charges for the respective gas service schedules for the revenue month beginning October 1, 2010 per billing period are:</p>		
	Monthly Customer <u>Charge</u>	Distribution <u>Charge per Mcf</u>
Rate G-1 (Residential)	\$0.00	\$0.00
Rate G-1 (Non-Residential)	\$0.00	\$0.00
Rate G-2	\$0.00	\$0.00
Rate T-3	\$0.00	\$0.00
Rate T-4	\$0.00	\$0.00

ISSUED: October 30, 2009

EFFECTIVE: December 1, 2009

(Issued by Authority of Kentucky Public Service Commission Order in Case No. 2009-00354).

ISSUED BY: Mark A. Martin-Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
 P.S.C. NO. 1
 First Revised SHEET No. 45
 CANCELING
 Original SHEET No. 45

ATMOS ENERGY CORPORATION

General Transportation Service			
Rate T-2			
1. Applicable			
Entire service area of the Company to any customer receiving service under the General Sales Service (G-1) and/or Interruptible Sales Service (G-2).			
2. Availability of Service			
Available to any customer with an expected consumption 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 transportation by the Company to the customer's facilities subject to suitable service being available from existing facilities.			
3. Net Monthly Rate			
In addition to any and all charges assessed by other parties, there will be applied:			
a) Transportation Administration Fee - \$50.00 per customer per month (N)			
b) <u>Distribution Charge for High Priority Service</u>			
First	300 Mcf	@ \$ 1.1900 per Mcf	(N)
Next	14,700 Mcf	@ 0.7530 per Mcf	(I)
Over	15,000 Mcf	@ 0.4708 per Mcf	(I)
c) <u>Distribution Charge for Low Priority Service</u>			
First	15,000 Mcf	@ \$ 0.6000 per Mcf	(I)
Over	15,000 Mcf	@ 0.3800 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 (Sheet No. 68).			
All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.			

ISSUED: August 1, 2007 EFFECTIVE: August 1, 2007
 (Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin Vice President Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
 P.S.C. NO. 1
 Second Revised SHEET No. 45
 Canceling
 First Revised SHEET No. 45

ATMOS ENERGY CORPORATION

Reserved for Future Use	

ISSUED: October 30, 2009 EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354)

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 46
CANCELING
First Revised SHEET No. 46

ATMOS ENERGY CORPORATION

General Transportation Service	
Rate T-2	
4.	<p>Net Monthly Bill</p> <p>The Net Monthly Bill, for T-2 Service, shall be equal to the sum of the Transportation Administration Fee and the appropriate Transportation Charge (Distribution Charge plus Non-commodity component) applied to the customer's transported volumes and any applicable Electronic Flow Measurement ("EFM") facilities charges (see Subsection 7 "Special Provisions" of this tariff). The customer will also be billed for purchases and the applicable Base Charge and High Load Factor (HLF) demand charge (see Sheet No. 25) under Rates G-1 and G-2.</p>
5.	<p>Nominated Volume</p> <p>Definition: "Nominated Volume" or "Nomination" - The level of daily volume in Dth as requested by the customer to be transported and delivered by the Company. Such volume nominated by the Customer shall include an allowance for the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6. The volumes delivered by the Customer to the Company for redelivery to the Customer's facilities will be reduced to cover the related system Lost and Unaccounted gas quantities.</p> <p>Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period.</p>

ISSUED: September 9, 2008

EFFECTIVE: November 1, 2008

(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin Vice President - Rates & Regulatory Affairs/Kentucky/Mid-States Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Third Revised SHEET No. 46
CANCELING
Second Revised SHEET No. 46

ATMOS ENERGY CORPORATION

Reserved for Future Use	

ISSUED: October 30, 2009

EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354)

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 47
CANCELING
First Revised Sheet No. 47

ATMOS ENERGY CORPORATION

General Transportation Service	
Rate T-2	
6. Imbalances	
The Company will calculate, on a monthly basis, the customer's Imbalance resulting from the differences that occur between the volume that the customer had nominated into the Company's facilities and the volume the Company delivered to the customer's facilities plus an allowance for system Lost and Unaccounted gas quantities.	
Imbalance = Dth Customer - Dth Company	(T)
Where:	
1. "Dth Customer" are the volumes that the customer had delivered to the Company's facilities.	(T)
2. "Dth Company" are the volumes the Company delivered into customer's facilities, however, the Company will adjust the Imbalance, if at the Company's request, the customer did not take deliveries of the volumes the customer had delivered to the Company facilities.	(T)
	(D)
The Imbalance will be resolved by use of the following procedure:	
a) If the Imbalance is negative, then the customer will be billed for the Imbalance volumes at the Company's applicable sales rate.	
If the imbalance is positive, then the Company will "bank", for one billing period, volumes up to 10% of the customer's "Dth Company". The Company will purchase the imbalance in volumes, if any, in excess of the banked volumes from the customer at the prices described in the following "Cash Out" method stated in item (b).	(T)

ISSUED: April 1, 2009

EFFECTIVE: May 2, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 95-010 dated October 20, 1995).

ISSUED BY: Mark A. Martin Vice President - Rates & Regulatory Affairs/Kentucky/Mid-States Division

Proposed

FOR ENTIRE SERVICE AREA

P.S.C. NO. 1
Third Revised SHEET No. 47
Cancelling
Second Revised SHEET No. 47

ATMOS ENERGY CORPORATION

Reserved for Future Use	
	(D)

ISSUED: October 30, 2009

EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354).

ISSUED BY: Mark A. Martin-Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
 P.S.C. NO. 1
 Third Revised SHEET No. 48
 CANCELING
 Second Revised SHEET No. 48

ATMOS ENERGY CORPORATION

General Transportation Service	
Rate T-2	
b) "Cash out" Method	
Imbalance volumes	Cash-out Price
First 5% of Dth Customer	@ 100% of Index Price ¹
Next 5% of Dth Customer	@ 90% of Index Price ²
Over 10% of Dth Customer	@ 80% of Index Price ²
¹ Not to exceed the Imbalance volumes	
² The index price will equal the effective "Cash out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.	
c) Customer will be reimbursed for all pipeline transportation commodity charges applying to cash out volumes. However, the reimbursement will not exceed pipeline transportation commodity charges the Company would have incurred to transport the "Cash Out" volumes.	
d) In addition to other tariff penalty provisions, the customer shall be responsible for any incremental charges assessed by the pipeline(s) and/or supplier(s) resulting from the customer's failure to match volumes that the customer had delivered into the Company's facilities with volumes the Company delivered into customer's facilities.	
e) Parked positive imbalance volumes will be deemed "first through the meter" delivered to the Customer in the month following delivery to the Company on the Customer's account. Parked volumes may be used by the Company for system supply or stored during the interim period.	
Special Provisions	
7. a)	Service under this Rate Schedule entitles the customer to purchase sales gas from the Company at the applicable tariff rates when its supply requirements exceed the nominated volume. The customer is entitled to purchase natural gas from the Company consistent with the applicable Sales Rate Schedule.
b)	Refer to Sheet No. 67.1 for the option of participating in a Transportation/Carriage Pooling Service.

ISSUED: April 1, 2009
 (Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

EFFECTIVE: May 2, 2009

ISSUED BY: Mark A. Martin Vice President - Rates & Regulatory Affairs/Kentucky/Mid-States Division

Proposed

FOR ENTIRE SERVICE AREA

P.S.C. NO. 1
 Fourth Revised SHEET No. 48
 Canceling
 Third Revised SHEET No. 48

ATMOS ENERGY CORPORATION

Reserved for Future Use

ISSUED: October 30, 2009
 (Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354)

EFFECTIVE: December 1, 2009

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 49
CANCELENG
Original SHEET No. 49

ATMOS ENERGY CORPORATION

General Transportation Service Rate T-2	
a)	It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which will be required as a result of receiving transportation under this Transportation Tariff Rate (additional facilities may be required to allow for changing from weekly or monthly meter readings to daily meter record for the billing period). Electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communications support services related to the EFM equipment. Customers required to install EFM may elect the optional monthly EFM facilities charges (Sheet No. 68). NOTE: Customers utilizing this service as of July 1, 2007, whose contractual requirements with the Company are less than 300 Mcf/day, are not required to have EFM equipment; however, such customers may, at their option, elect to install EFM equipment under the same provisions set forth above.
8. Terms and Conditions	
a)	Specific details relating to volume, delivery point and similar matters shall be covered by a separate written contract or amendment with the customer.
b)	Gas transported under this Transportation Tariff Rate is subject to the provisions of the Company's curtailment order.
c)	The Company will not be obligated to deliver a total supply of gas to the customer in excess if the customer's maximum contracted volumes.
d)	It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas transported under this Transportation Tariff Rate to the facilities of the Company.
e)	The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.
f)	The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Transportation Tariff Rates and all contracts and amendments thereunder.

ISSUED: August 1, 2007

EFFECTIVE: August 1, 2007

(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin Vice President Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 49
Canceling
First Revised SHEET No. 49

ATMOS ENERGY CORPORATION

Reserved for Future Use (D)	

ISSUED: October 30, 2009

EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354)

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original Sheet No. 50

ATMOS ENERGY CORPORATION

General Transportation Service	
Rate T-2	
9.	<p>Alternative Fuel Responsive Flex Provision</p> <p>Notwithstanding any other provision of this tariff, the Company may, periodically, flex the otherwise 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.</p> <p>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.</p> <p>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.</p>

ISSUED: August 9, 2002
(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised Sheet No. 50
Canceling
Original Sheet No. 50

ATMOS ENERGY CORPORATION

Reserved for Future Use	
	(D)

ISSUED: October 30, 2009

EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354)

ISSUED BY: Mark A. Martin -Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 51
CANCELING
Original SHEET No. 51

ATMOS ENERGY CORPORATION

Interruptible Carriage Service	
Rate T-3	
Applicable	
1.	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 carriage 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 - \$250.00 per delivery point
b)	Transportation Administration Fee - 50.00 per customer per month
c)	Distribution Charge for Interruptible Service
First	15,000 Mcf @ \$0.6000 per Mcf
Over	15,000 Mcf @ 0.3800 per Mcf
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 (Sheet No. 68).
¹ All gas consumed by the customer (Sales, transportation, and carriage, firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.	

ISSUED: August 1, 2007

(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin

EFFECTIVE: August 1, 2007

Vice President Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 51
Canceling
First Revised SHEET No. 51

ATMOS ENERGY CORPORATION

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
In addition to any and all charges assessed by other parties, there will be applied:	
a)	Base Charge - \$300.00 per delivery point
b)	Transportation Administration Fee - 50.00 per customer per month
c)	Distribution Charge for Interruptible Service
First	15,000 Mcf @ \$0.6500 per Mcf
Over	15,000 Mcf @ 0.4100 per Mcf
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 (Sheet No. 68).
f)	Pipe Replacement Program (PRP) Rider, referenced on Sheet No. 43.
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.	

ISSUED: October 30, 2009

EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No 2009-00354)

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 52
CANCELING
Original SHEET No. 52

ATMOS ENERGY CORPORATION

Interruptible Carriage Service	
Rate T-3	
4.	<p>Net Monthly Bill</p> <p>The Net Monthly Bill shall be equal to the sum of the Base Charge, the Transportation Administration Fee, and applicable Distribution Charge and Non-Commodity Component, and any applicable Electronic Flow Measurement ("EFM") facilities charges (see Subsection 8 "Special Provisions" of this tariff.)</p>
5.	<p>Nominated Volume</p> <p>Definition: "Nominated Volume" or "Nomination" -- The level of daily volume in Dth as requested by the customer to be transported and delivered by the Company. Such volume nominated by the Customer shall include an allowance for the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6. The volumes delivered by the Customer to the Company for redelivery to the Customer's facilities will be reduced to cover the related system Lost and Unaccounted gas quantities.</p> <p>Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period.</p>

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(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

ISSUED BY: Mark A. Martin Vice President - Rates & Regulatory Affairs/Kentucky/Mid-States Division

EFFECTIVE: November 1, 2008

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 52
Canceling
First Revised SHEET No. 52

ATMOS ENERGY CORPORATION

Interruptible Transportation Service	
Rate T-3	
4.	<p>Net Monthly Bill</p> <p>The Net Monthly Bill shall be equal to the sum of the Base Charge, the Transportation Administration Fee, and applicable Distribution Charge and Non-Commodity Component, applicable Pipe Replacement Program charges, and any applicable Electronic Flow Measurement ("EFM") facilities charges (see Subsection 8 "Special Provisions" of this tariff.)</p>
5.	<p>Nominated Volume</p> <p>Definition: "Nominated Volume" or "Nomination" -- The level of daily volume in Dth as requested by the customer to be transported and delivered by the Company. Such volume nominated by the Customer shall include an allowance for the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation tariff Sheet No. 6. The volumes delivered by the Customer to the Company for redelivery to the Customer's facilities will be reduced to cover the related system Lost and Unaccounted gas quantities.</p> <p>Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period. Daily nominations shall not exceed the Customer's Maximum Daily Quantity (MDQ). Maximum Daily Quantity means the maximum daily volume of gas, as determined by the Company based on Customer's historical metered volumes, which a Customer under this Rate Schedule will be allowed to nominate and have delivered into the Company's system for the Customer's account. In the event historical data is not available, the Company will determine the MDQ based on data provided by the customer. Once historical data becomes available the MDQ will be revised.</p>

ISSUED: October 30, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354)

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

EFFECTIVE: December 1, 2009

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 53
CANCELING
First Revised SHEET No. 53

ATMOS ENERGY CORPORATION

Interruptible Carriage Service	
Rate T-3	
6. Imbalances	
The Company will calculate, on a monthly basis, the customer's Imbalance resulting from the differences that occur between the volume that the customer had nominated into the Company's facilities and the volume the Company delivered to the customer's facilities plus an allowance for system Lost and Unaccounted gas quantities.	
$\text{Imbalance} = \text{Dth}_{\text{Customer}} - \text{Dth}_{\text{Company}}$	
Where:	
1. "Dth _{Customer} " are the total volumes that the customer had delivered to the Company's facilities.	
2. "Dth _{Company} " are the volumes the Company delivered into customer's facilities, however, the Company will adjust the Imbalance, if at the Company's request, the customer did not take deliveries of the volumes the customer had delivered to the Company's facilities.	
The Imbalance volumes will be resolved by use of the following procedure:	
a) If the Imbalance is negative and Imbalance volumes were approved by the Company, then the customer will be billed for the Imbalance volumes at a rate equal to 110% of the Company's sales rate (G-2). However, if the Imbalance volumes were not approved by the Company, then the Imbalance volumes shall be deemed as an overrun and the Company may, at its sole discretion, apply a penalty rate of up to \$15.00 per Dth. The Company has no obligation to provide gas supply to a customer electing service under this tariff.	
If the Imbalance is positive, then the Company will purchase the Imbalance volumes in excess of "parked" volumes from the customer at the rates described in the following "Cash out" method in item (b).	

ISSUED: April 1, 2009
(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

EFFECTIVE: May 2, 2009

ISSUED BY: Mark A. Martin Vice President - Rates & Regulatory Affairs/Kentucky/Mid-States Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Third Revised SHEET No. 53
Canceling
Second Revised SHEET No. 53

ATMOS ENERGY CORPORATION

Interruptible Transportation Service	
Rate T-3	
6. Imbalances	
The Company will calculate, on a monthly basis, the customer's Imbalance resulting from the differences that occur between the volume that the customer had nominated into the Company's facilities and the volume the Company delivered to the customer's facilities plus an allowance for system Lost and Unaccounted gas quantities.	
$\text{Imbalance} = \text{Dth}_{\text{Customer}} - \text{Dth}_{\text{Company}}$	
Where:	
1. "Dth _{Customer} " are the total volumes that the customer had delivered to the Company's facilities. For the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation tariff Sheet No. 6.	
2. "Dth _{Company} " are the volumes the Company delivered into customer's facilities, however, the Company will adjust the Imbalance, if at the Company's request, the customer did not take deliveries of the volumes the customer had delivered to the Company's facilities.	
The Imbalance volumes will be resolved by use of the following procedure:	
a) If the Imbalance is negative and the Imbalance volumes were approved by the Company, then the customer will be billed for the Imbalance volumes at the rates described in the following "cash out" method in item b)	
If the Imbalance is positive, then the Company will purchase the Imbalance volumes in excess of "parked" volumes from the customer at the rates described in the following "Cash out" method in item (b).	

ISSUED: October 30, 2009

EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354)

ISSUED BY: Mark A. Martin- Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Third Revised SHEET No. 54
CANCELING
Second Revised SHEET No. 54

ATMOS ENERGY CORPORATION

Interruptible Carriage Service	
Rate T-3	
b) "Cash out" Method	
<u>Imbalance volumes</u>	<u>Cash-out Price</u>
First 5% of Dth Customer	@ 100% of Index Price ²
Next 5% of Dth Customer	@ 90% of Index Price ²
Over 10% of Dth Customer	@ 80% of Index Price ²
¹ Not to exceed the Imbalance volumes	
² The index price will equal the effective "Cash out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.	
c) Customer will be reimbursed for all pipeline transportation commodity charges applying to cash out volumes. However, the reimbursement will not exceed pipeline transportation commodity charges the Company would have incurred to transport the "Cash Out" volumes.	
d) In addition to other tariff penalty provisions, the customer shall be responsible for any incremental charges assessed by the pipeline(s) and/or suppliers resulting from the customer's failure to match volumes that the customer had delivered to the Company's facilities with volumes the Company delivered into customer's facilities.	
e) Customer may, by written agreement with the Company, arrange to "park" positive imbalance volumes, up to 10% of "Dth Company", on a monthly basis at \$0.10/Dth per month. The parking service will be provided on a "best efforts" basis by the Company. Parked volumes will be deemed "first through the meter" delivered to the Customer in the month following delivery to the Company on the Customer's account. (T)	
7. Curtailment	
a) The Company shall have the right at any time without liability to the customer to curtail or to discontinue the delivery of gas entirely to the customer for any period of time when such curtailment or discontinuance is necessary to protect the requirements of domestic and commercial customers; to avoid an increased maximum daily demand in the Company's gas purchases; to avoid excessive peak load and demands upon the gas transmission or distribution system; to relieve	

ISSUED: April 1, 2009

EFFECTIVE: May 2, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin

Vice President - Rates & Regulatory Affairs/Kentucky/Mid-States Division

Proposed

FOR ENTIRE SERVICE AREA

P.S.C. NO. 1
Fourth Revised SHEET No. 54
Canceling
Third Revised SHEET No. 54

ATMOS ENERGY CORPORATION

Interruptible Transportation Service		
Rate T-3		
b) "Cash out" Method		
<u>Imbalance volumes</u>	<u>Negative Imbalances Cash-out Price</u>	<u>Positive Imbalances Cash-Out Prices</u>
First 5% of Dth Customer	@ 100% of Index Price ²	@ 100% of Index Price (T)
Next 5% of Dth Customer	@ 110% of Index Price ²	@ 90% of Index Price (T)
Over 10% of Dth Customer	@ 120% of Index Price ²	@ 80% of Index Price (T)
¹ Not to exceed the Imbalance volumes		
² The index price will equal the effective "Cash out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.		
c) Customer will be reimbursed for all pipeline transportation commodity charges applying to cash out volumes. However, the reimbursement will not exceed pipeline transportation commodity charges the Company would have incurred to transport the "Cash Out" volumes.		
d) In addition to other tariff penalty provisions, the customer shall be responsible for any incremental charges assessed by the pipeline(s) and/or suppliers resulting from the customer's failure to match volumes that the customer had delivered to the Company's facilities with volumes the Company delivered into customer's facilities.		
e) Customer may, by written agreement with the Company, arrange to "park" positive imbalance volumes, up to 10% of "Dth Company", on a monthly basis at \$0.10/Dth per month. The parking service will be provided on a "best efforts" basis by the Company. Parked volumes will be deemed "first through the meter" delivered to the Customer in the month following delivery to the Company on the Customer's account.		
7. Curtailment		
a) The Company shall have the right at any time without liability to the customer to curtail or to discontinue the delivery of gas entirely to the customer for any period of time when such curtailment or discontinuance is necessary to protect the requirements of domestic and commercial customers; to avoid an increased maximum daily demand in the Company's gas purchases; to avoid excessive peak load and demands upon the gas transmission or distribution system; to relieve		

ISSUED: October 30, 2009

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ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 55
CANCELING
First Revised SHEET No. 55

ATMOS ENERGY CORPORATION

Interruptible Carriage Service Rate T-3
<p>system capacity constraints; to comply with any restriction or curtailment of any governmental agency having jurisdiction over the Company or its supplier or to comply with any restriction or curtailment as may be imposed by the Company's supplier; to protect and insure the operation of the Company's underground storage system; for any causes due to force majeure (which includes acts of God; strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.</p> <p>a) All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailment Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission.</p> <p>b) In the event a customer fails in part or in whole to comply with a Company Curtailment Order either as to time or volume of gas used or uses a greater quantity of gas than its allowed volume under terms of the Curtailment Order, the Company may, at its sole discretion, apply a penalty rate of up to \$15.00 per Dth. In addition to other tariff penalty provisions, the customer shall be responsible for any incremental charges assessed by the pipeline(s) or supplier(s) resulting from the customer's failure to match volumes that the customer had delivered to the Company's facilities with volumes the Company delivered into customer's facilities (T)</p> <p>8. Special Provisions</p> <p>It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which will be required as a result of receiving service under this Interruptible Carriage Service Rate T-3. Electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communications support services related to the EFM equipment. Customers required to install EFM may elect the optional monthly EFM facilities charge (Sheet No. 68). NOTE: Customers utilizing this service as of July 1, 2007, whose contractual requirements with the Company are less than 100 Mcf/day, are not required to have EFM equipment; however, such customers may, at their option, elect to install EFM equipment under the same provisions set forth above.</p> <p>No gas delivered under this rate schedule and applicable contract shall be available for resale to anyone other than an end-user for use as a motor vehicle fuel.</p> <p>Refer to Sheet No. 67.1 for the option of participating in a Transportation/Carriage Pooling Service.</p>

ISSUED: September 9, 2008

EFFECTIVE: November 1, 2008

(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin Vice President - Rates & Regulatory Affairs/Kentucky/Mid-States Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 55
CANCELING
First Revised SHEET No. 55

ATMOS ENERGY CORPORATION

Interruptible Carriage Service Rate T-3
<p>system capacity constraints; to comply with any restriction or curtailment of any governmental agency having jurisdiction over the Company or its supplier or to comply with any restriction or curtailment as may be imposed by the Company's supplier; to protect and insure the operation of the Company's underground storage system; for any causes due to force majeure (which includes acts of God; strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.</p> <p>a) All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailment Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission.</p> <p>b) In the event a customer fails in part or in whole to comply with a Company Curtailment Order either as to time or volume of gas used or uses a greater quantity of gas than its allowed volume under terms of the Curtailment Order, the Company may, at its sole discretion, apply a penalty rate of up to \$15.00 per Dth. In addition to other tariff penalty provisions, the customer shall be responsible for any incremental charges assessed by the pipeline(s) or supplier(s) resulting from the customer's failure to match volumes that the customer had delivered to the Company's facilities with volumes the Company delivered into customer's facilities (T)</p> <p>8. Special Provisions</p> <p>It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which will be required as a result of receiving service under this Interruptible Carriage Service Rate T-3. Electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communications support services related to the EFM equipment. Customers required to install EFM may elect the optional monthly EFM facilities charge (Sheet No. 68). NOTE: Customers utilizing this service as of July 1, 2007, whose contractual requirements with the Company are less than 100 Mcf/day, are not required to have EFM equipment; however, such customers may, at their option, elect to install EFM equipment under the same provisions set forth above.</p> <p>No gas delivered under this rate schedule and applicable contract shall be available for resale to anyone other than an end-user for use as a motor vehicle fuel.</p> <p>Refer to Sheet No. 67.1 for the option of participating in a Transportation/Carriage Pooling Service.</p>

ISSUED: September 9, 2008

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(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin Vice President - Rates & Regulatory Affairs/Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 56

ATMOS ENERGY CORPORATION

Interruptible Carriage Service Rate T-3	
9. Terms and Conditions	
a)	Specific details relating to volume, delivery point and similar matters shall be covered by a separate written contract or amendment with the customer.
b)	The Company will not be obligated to deliver a total supply of gas to the customer in excess of the customer's maximum daily carriage volumes. The Company has no obligation under this tariff to provide any sales gas to the customer.
c)	It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas under this Interruptible Carriage Service Rate to the facilities of the Company.
d)	The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.
e)	The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Carriage Service Rates and all contracts and amendments thereunder.
f)	In the event the customer loses its gas supply, it may be allowed a reasonable time in which to secure replacement volumes (up to the contract daily carriage quantity), subject to provisions of Section 5 of this tariff. A "reasonable time" will be, except when precluded by operational constraints, matched to the make-up grace period by the respective interstate pipeline transporter.

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ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 56

ATMOS ENERGY CORPORATION

Interruptible Carriage Service Rate T-3	
9. Terms and Conditions	
a)	Specific details relating to volume, delivery point and similar matters shall be covered by a separate written contract or amendment with the customer.
b)	The Company will not be obligated to deliver a total supply of gas to the customer in excess of the customer's maximum daily carriage volumes. The Company has no obligation under this tariff to provide any sales gas to the customer.
c)	It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas under this Interruptible Carriage Service Rate to the facilities of the Company.
d)	The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.
e)	The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Carriage Service Rates and all contracts and amendments thereunder.
f)	In the event the customer loses its gas supply, it may be allowed a reasonable time in which to secure replacement volumes (up to the contract daily carriage quantity), subject to provisions of Section 5 of this tariff. A "reasonable time" will be, except when precluded by operational constraints, matched to the make-up grace period by the respective interstate pipeline transporter.

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Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 57

ATMOS ENERGY CORPORATION

Interruptible Carriage Service
Rate T-3
<p>g) The customer will be solely responsible to correct, any imbalances it has caused on the applicable pipeline's system.</p>
<p>10. Late Payment Charge</p> <p>A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.</p>

ISSUED: August 9, 2002

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ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 57

ATMOS ENERGY CORPORATION

Interruptible Transportation Service
Rate T-3
<p>g) The customer will be solely responsible to correct, any imbalances it has caused on the applicable pipeline's system.</p>
<p>10. Late Payment Charge</p> <p>A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.</p>

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Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No.58

ATMOS ENERGY CORPORATION

Interruptible Carriage Service
Rate T-3
<p>11. Alternative Fuel Responsive Flex Provisions</p> <p>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.</p> <p>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.</p> <p>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.</p>

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ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No.58

ATMOS ENERGY CORPORATION

Interruptible Transportation Service
Rate T-3
<p>11. Alternative Fuel Responsive Flex Provisions</p> <p>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.</p> <p>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.</p> <p>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.</p>

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs/Kentucky Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 59
CANCELING
Original SHEET No. 59

ATMOS ENERGY CORPORATION

Firm Carriage 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 carriage 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	- \$250.00 per delivery point (I)
b) Transportation Administration Fee	- 50.00 per customer per month (N)
c) Distribution Charge for Firm Service	
First 300 Mcf	@ \$1.1900 per Mcf (N)
Next 14,700 Mcf	@ 0.7530 per Mcf (I)
Over 15,000 Mcf	@ 0.4708 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 charges, if applicable (Sheet No. 68).
All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.	

ISSUED: August 1, 2007

EFFECTIVE: August 1, 2007

(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin

Vice President Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 59
Canceling
First Revised SHEET No. 59

ATMOS ENERGY CORPORATION

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	- \$300.00 per delivery point (I)
b) Transportation Administration Fee	- 50.00 per customer per month (N)
c) Distribution Charge for Firm Service	
First 300 Mcf	@ \$1.2000 per Mcf (I)
Next 14,700 Mcf	@ 0.7715 per Mcf (I)
Over 15,000 Mcf	@ 0.5027 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 charges, if applicable (Sheet No. 68).
f)	Pipe Replacement Program (PRP) Rider, referenced on Sheet No. 43. (T)
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. (T)	

ISSUED: October 30, 2009

EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354)

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 60
CANCELING
Original SHEET No. 60

ATMOS ENERGY CORPORATION

Firm Carriage Service	
Rate T-4	
4.	<p>Net Monthly Bill</p> <p>The Net Monthly Bill shall be equal to the sum of the Base Charge, the Transportation Administration Fee, and applicable Distribution Charge and Non-Commodity Component, and any applicable Electronic Flow Measurement ("EFM") facilities charges (see subsection 8 "Special Provisions" of this tariff.)</p>
5.	<p>Nominated Volume</p> <p>Definition: "Nominated Volume" or "Nomination" – The level of daily volume in Dth as requested by the customer to be transported and delivered by the Company. Such volume nominated by the Customer shall include an allowance for the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6. The volumes delivered by the Customer to the Company for redelivery to the Customer's facilities will be reduced to cover the related system Lost and Unaccounted gas quantities.</p> <p>Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period.</p>

ISSUED: September 9, 2008
(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

ISSUED BY: Mark A. Martin
Affairs/Kentucky/Mid-States Division

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(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

Vice President – Rates & Regulatory

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 60
Canceling
First Revised SHEET No. 60

ATMOS ENERGY CORPORATION

Firm Transportation Service	
Rate T-4	
4.	<p>Net Monthly Bill</p> <p>The Net Monthly Bill shall be equal to the sum of the Base Charge, the Transportation Administration Fee, and applicable Distribution Charge and Non-Commodity Component, and any applicable Electronic Flow Measurement ("EFM") facilities charges (see subsection 8 "Special Provisions" of this tariff.)</p>
5.	<p>Nominated Volume</p> <p>Definition: "Nominated Volume" or "Nomination" – The level of daily volume in Dth as requested by the customer to be transported and delivered by the Company. Such volume nominated by the Customer shall include an allowance for the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation tariff Sheet No. 6. The volumes delivered by the Customer to the Company for redelivery to the Customer's facilities will be reduced to cover the related system Lost and Unaccounted gas quantities.</p> <p>Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period. Daily nominations shall not exceed the Customer's Maximum Daily Quantity (MDQ). Maximum Daily Quantity means the maximum daily volume of gas, as determined by the Company based on Customer's historical metered volumes, which a Customer under this Rate Schedule will be allowed to nominate and have delivered into the Company's system for the Customer's account. In the event historical data is not available, the Company will determine the MDQ based on data provided by the customer. Once historical data becomes available the MDQ will be revised.</p>

ISSUED: October 30, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354)

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

EFFECTIVE: December 1, 2009

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second Revised SHEET No. 61
CANCELING
First Revised SHEET No. 61

ATMOS ENERGY CORPORATION

Firm Carriage Service	
Rate T-4	
6. <u>Imbalances</u>	
The Company will calculate, on a monthly basis, the customer's Imbalance resulting from the differences that occur between the volume that the customer had nominated into the Company's facilities and the volume the Company delivered to the customer's facilities plus an allowance for system Lost and Unaccounted gas quantities.	
$\text{Imbalance} = \text{Dth}_{\text{Customer}} - \text{Dth}_{\text{Company}}$	(T)
Where:	
1. "Dth _{customer} " are the total volumes that the customer had delivered to the Company's Facilities, such volume nominated by the Customer shall include an allowance For the Company's system Lost and Unaccounted gas percentage as stated in The Company's current Transportation and Carriage tariff Sheet No. 6.	(T)
2. "Dth _{Company} " are the volumes the Company delivered into customer's facilities, however, the Company will adjust the Imbalance, if at the Company's request, the customer did not take deliveries of the volumes the customer had delivered to the Company's facilities.	(T)
The Imbalance volumes will be resolved by use of the following procedure:	
a) If the Imbalance is negative and Imbalance volumes were approved by the Company, then the customer will be billed for the Imbalance volumes at a rate equal to 110% of the Company's sales rate (G-1). However, if the Imbalance volumes were not approved by the Company, then the Imbalance volumes shall be deemed as an overrun and may be billed up to \$15.00 per Dth. The Company has no obligation to provide gas supply to a customer electing service under this tariff.	(T)
If the Imbalance is positive, then the Company will purchase the Imbalance volumes in excess of "parked" volumes from the customer at the rates described in the following "Cash out" method in item (b).	

ISSUED: April 1, 2008

EFFECTIVE: May 2, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

ISSUED BY: Mark A. Martin Vice President - Rates & Regulatory Affairs/Kentucky/Mid-States Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Third Revised SHEET No. 61
Canceling
Second Revised SHEET No. 61

ATMOS ENERGY CORPORATION

Firm Transportation Service	
Rate T-4	
6. <u>Imbalances</u>	
The Company will calculate, on a monthly basis, the customer's Imbalance resulting from the differences that occur between the volume that the customer had nominated into the Company's facilities and the volume the Company delivered to the customer's facilities plus an allowance for system Lost and Unaccounted gas quantities.	
$\text{Imbalance} = \text{Dth}_{\text{Customer}} - \text{Dth}_{\text{Company}}$	
Where:	
1. "Dth _{customer} " are the total volumes that the customer had delivered to the Company's Facilities, such volume nominated by the Customer shall include an allowance For the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation tariff Sheet No. 6.	
2. "Dth _{Company} " are the volumes the Company delivered into customer's facilities, however, the Company will adjust the Imbalance, if at the Company's request, the customer did not take deliveries of the volumes the customer had delivered to the Company's facilities.	
The Imbalance volumes will be resolved by use of the following procedure:	
a) If the Imbalance is negative and the Imbalance volumes were approved by the Company, then the customer will be billed for the Imbalance volumes at the rates described in the following "cash out" method in item b).	(T)
If the Imbalance is positive, then the Company will purchase the Imbalance volumes in excess of "parked" volumes from the customer at the rates described in the following "Cash out" method in item (b).	

ISSUED: October 30, 2009

EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354)

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Third Revised SHEET No. 62
CANCELING
Second Revised SHEET No. 62

ATMOS ENERGY CORPORATION

Firm Carriage Service	
Rate T-4	
b) "Cash out" Method	
<u>Imbalance volumes</u>	<u>Cash-out Price</u>
First 5% of Mcf Customer ¹	@ 100% of Index Price ²
Next 5% of Mcf Customer ¹	@ 90% of Index Price ²
Over 10% of Mcf Customer ¹	@ 80% of Index Price ²
¹ Not to exceed the Imbalance volumes	
² The index price will equal the effective "Cash out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.	
e) Customer will be reimbursed for all pipeline transportation commodity charges applying to cash out volumes. However, the reimbursement will not exceed pipeline transportation commodity charges the Company would have incurred to transport the "Cash Out" volumes.	
d) In addition to other tariff penalty provisions, the customer shall be responsible for any incremental charges assessed by the pipeline(s) or supplier(s) resulting from the customer's failure to match volumes that the customer had delivered to the Company's facilities with volumes the Company delivered into customer's facilities.	
e) Customer may, by written agreement with the Company, arrange to "park" positive imbalance volumes, up to 10% of "Dth Company", on a monthly basis at \$0.10/Dth per month. The parking service will be provided on a "best efforts" basis by the Company. Parked volumes will be deemed "first through the meter" delivered to the Customer in the month following delivery to the Company on the Customer's account. (T)	

ISSUED: April 1, 2009 EFFECTIVE: May 2, 2009
(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin Vice President - Rates & Regulatory
AFairs/Kentucky/Mid-States Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Fourth Revised SHEET No. 62
Canceling
Third Revised SHEET No. 62

ATMOS ENERGY CORPORATION

Firm Transportation Service		
Rate T-4		
b) "Cash out" Method		
<u>Imbalance volumes</u>	<u>Negative Imbalances Cash-out Price</u>	<u>Positive Imbalances Cash-Out Prices</u>
First 5% of Dth Customer ¹	@ 100% of Index Price ²	@100% of Index Price (T)
Next 5% of Dth Customer ¹	@ 110% of Index Price ²	@90% of Index Price (T)
Over 10% of Dth Customer ¹	@ 120% of Index Price ²	@80% of Index Price (T)
¹ Not to exceed the Imbalance volumes		
² The index price will equal the effective "Cash out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.		
e) Customer will be reimbursed for all pipeline transportation commodity charges applying to cash out volumes. However, the reimbursement will not exceed pipeline transportation commodity charges the Company would have incurred to transport the "Cash Out" volumes.		
d) In addition to other tariff penalty provisions, the customer shall be responsible for any incremental charges assessed by the pipeline(s) or supplier(s) resulting from the customer's failure to match volumes that the customer had delivered to the Company's facilities with volumes the Company delivered into customer's facilities.		
e) Customer may, by written agreement with the Company, arrange to "park" positive imbalance volumes, up to 10% of "Dth Company", on a monthly basis at \$0.10/Dth per month. The parking service will be provided on a "best efforts" basis by the Company. Parked volumes will be deemed "first through the meter" delivered to the Customer in the month following delivery to the Company on the Customer's account.		

ISSUED: October 30, 2009 EFFECTIVE: December 1, 2009
(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354)

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

FOR ENTIRE SERVICE AREA

Present

P.S.C. NO. 1
Second Revised SHEET No. 63
CANCELING
First Revised SHEET No. 63

ATMOS ENERGY CORPORATION

Firm Carriage Service Rate T-4	
7. <u>Curtailment</u>	<p>a) All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailment Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission and for any causes due to force majeure (which includes acts of God; strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.</p> <p>b) In the event a customer fails in part or in whole to comply with a Company Curtailment Order either as to time or volume of gas used or uses a greater quantity of gas than its allowed volume under terms of the Curtailment Order, the Company may, at its sole discretion, apply a penalty rate of up to \$15.00 per Dth. In addition to other tariff penalty provisions, the customer shall be responsible for any incremental charges assessed by the pipeline(s) or supplier(s) resulting from the customer's failure to match volumes that the customer had delivered to the Company's facilities with volumes the Company delivered into customer's facilities</p>
8. <u>Special Provisions</u>	<p>It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which will be required as a result of receiving service under this Firm Carriage Service Rate T-4. Electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communications support services related to the EFM equipment. Customers required to install EFM may elect the optional monthly EFM facilities charges (Sheet No. 68). NOTE: Customers utilizing this service as of July 1, 2007, whose contractual requirements with the Company are less than 100 Mcf/day, are not required to have EFM equipment; however, such customers may, at their option, elect to install EFM equipment under the same provisions set forth above.</p> <p>No gas delivered under this rate schedule and applicable contract shall be available for resale to anyone other than an end-user for use as a motor vehicle fuel.</p> <p>Refer to Sheet No. 67.1 for the option of participating in a Transportation/Carriage Pooling Service.</p>

ISSUED: September 9, 2008

EFFECTIVE: November 1, 2008

(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin Vice President - Rates & Regulatory Affairs/Kentucky/Mid-States Division

Proposed

FOR ENTIRE SERVICE AREA

P.S.C. NO. 1
Third Revised SHEET No. 63
Canceling
Second Revised SHEET No. 63

ATMOS ENERGY CORPORATION

Firm Transportation Service Rate T-4	
7. <u>Curtailment</u>	<p>a) All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailment Order" as contained in Section 35 of its Rules and Regulations as filed with and approved by the Public Service Commission and for any causes due to force majeure (which includes acts of God; strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.</p> <p>b) In the event a customer fails in part or in whole to comply with a Company Curtailment Order either as to time or volume of gas used or uses a greater quantity of gas than its allowed volume under terms of the Curtailment Order, the Company may, at its sole discretion, apply a penalty rate of up to \$15.00 per Dth. In addition to other tariff penalty provisions, the customer shall be responsible for any incremental charges assessed by the pipeline(s) or supplier(s) resulting from the customer's failure to match volumes that the customer had delivered to the Company's facilities with volumes the Company delivered into customer's facilities</p>
8. <u>Special Provisions</u>	<p>It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which will be required as a result of receiving service under this Firm Transportation Service Rate T-4. Electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communications support services related to the EFM equipment. Customers required to install EFM may elect the optional monthly EFM facilities charges (Sheet No. 68). NOTE: Customers utilizing this service as of July 1, 2007, whose contractual requirements with the Company are less than 100 Mcf/day, are not required to have EFM equipment; however, such customers may, at their option, elect to install EFM equipment under the same provisions set forth above.</p> <p>No gas delivered under this rate schedule and applicable contract shall be available for resale to anyone other than an end-user for use as a motor vehicle fuel.</p> <p>Refer to Sheet No. 67.1 for the option of participating in a Transportation Pooling Service.</p>

ISSUED: October 30, 2009

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(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354)

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 64

ATMOS ENERGY CORPORATION

Firm Carriage Service Rate T-4	
9. Terms and Conditions	
a) Specific details relating to volume, delivery point and similar matters shall be covered by a separate written contract or amendment with the customer.	
b) The Company will not be obligated to deliver a total supply of gas to the customer in excess of the customer's maximum daily carriage volumes. The Company has no obligation under this tariff to provide any sales gas to the customer.	
c) It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas under this Firm Carriage Service Rate to the facilities of the Company.	
d) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.	
e) The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Carriage Service Rates and all contracts and amendments thereunder.	
f) In the event the customer loses its gas supply, it may be allowed a reasonable time in which to secure replacement volumes (up to the contract daily carriage quantity), subject to provisions of Section 5 of this tariff. A "reasonable time" will be, except when precluded by operational constraints, matched to the make-up grace period by the respective interstate pipeline transporter.	
g) The customer will be solely responsible to correct, or cause to be corrected, any imbalances it has caused on the applicable pipeline's system.	

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA

P.S.C. NO. 1
First Revised SHEET No. 64
Canceling
Original SHEET No. 64

ATMOS ENERGY CORPORATION

Firm Transportation Service Rate T-4	
9. Terms and Conditions	
a) Specific details relating to volume, delivery point and similar matters may be covered by a separate written contract or amendment with the customer.	
b) The Company will not be obligated to deliver a total supply of gas to the customer in excess of the customer's maximum daily transportation volumes. The Company has no obligation under this tariff to provide any sales gas to the customer.	
c) It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas under this Firm Transportation Service Rate to the facilities of the Company.	
d) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.	
e) The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Transportation Service Rates and all contracts and amendments there under.	
f) In the event the customer loses its gas supply, it may be allowed a reasonable time in which to secure replacement volumes (up to the contract daily transportation quantity), subject to provisions of Section 5 of this tariff. A "reasonable time" will be, except when precluded by operational constraints, matched to the make-up grace period by the respective interstate pipeline transporter.	
g) The customer will be solely responsible to correct, or cause to be corrected, any imbalances it has caused on the applicable pipeline's system.	

ISSUED: October 30, 2009

EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354)

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 65

ATMOS ENERGY CORPORATION

Firm Carriage Service Rate T-4
<p>10. <u>Late Payment Charge</u></p> <p>A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.</p> <p>11. <u>Alternative Fuel Responsive Flex Provision</u></p> <p>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.</p> <p>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.</p> <p>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.</p>

ISSUED: August 9, 2002
(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)
ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

EFFECTIVE: October 1, 2002

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 65
Canceling
Original SHEET No. 65

ATMOS ENERGY CORPORATION

Firm Transportation Service Rate T-4
<p>10. <u>Late Payment Charge</u></p> <p>A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.</p> <p>11. <u>Alternative Fuel Responsive Flex Provision</u></p> <p>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.</p> <p>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.</p> <p>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.</p>

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(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-0354)
ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

EFFECTIVE: December 1, 2009

Present

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 66

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 66

ATMOS ENERGY CORPORATION

ATMOS ENERGY CORPORATION

Alternate Receipt Point Service Rate T-5	
1. Applicable	Entire service area of the Company to any customer, subject to limitations noted below, for that portion of the customer's Rate T-2 transportation or carriage service (Rate T-3 or Rate T-4) requirements.
2. Availability of Service	<p>a) Available, subject to restrictions noted below, to any customer utilizing transportation or carriage services, on an individual service at the same premise, who has purchased its own supply of natural gas and requests delivery to the Company at a receipt point other than the Company's interconnection with the pipeline, or supplier immediately upstream of customer's premises, or the receipt point designated as the primary receipt point in such customer's contract with the Company.</p> <p>b) The alternate receipt point through which service is requested must be physically accessible via the Company's existing pipeline system upstream of the delivery point to the customer's facilities.</p> <p>c) The Company shall determine the portions of its system to which access may be granted to a specific Alternate Receipt Point.</p> <p>d) Access to certain alternate receipt points may be limited or restricted altogether by the Company.</p> <p>e) Availability of service is contingent upon the Company's determination that such service is available through existing facilities.</p> <p>f) The Company may decline to initiate service to a customer under this tariff, if in the Company's 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.</p>
3. Net Monthly Rate	<p>In addition to any and all charges assessed by other parties, and in addition to the charges applicable to Customer associated with their Rate T-2 transportation or Rate T-4 carriage service requirements, the following supplemental administrative charge will be applied during months in which volumes are received and transported from the Alternate Receipt Point:</p> <p>a) Administrative Charge @ \$50.00 per month</p>

Alternate Receipt Point Service Rate T-5	
1. Applicable	Entire service area of the Company to any customer, subject to limitations noted below, for that portion of the customer's Rate T-2 transportation or carriage service (Rate T-3 or Rate T-4) requirements.
2. Availability of Service	<p>a) Available, subject to restrictions noted below, to any customer utilizing transportation or carriage services, on an individual service at the same premise, who has purchased its own supply of natural gas and requests delivery to the Company at a receipt point other than the Company's interconnection with the pipeline, or supplier immediately upstream of customer's premises, or the receipt point designated as the primary receipt point in such customer's contract with the Company.</p> <p>b) The alternate receipt point through which service is requested must be physically accessible via the Company's existing pipeline system upstream of the delivery point to the customer's facilities.</p> <p>c) The Company shall determine the portions of its system to which access may be granted to a specific Alternate Receipt Point.</p> <p>d) Access to certain alternate receipt points may be limited or restricted altogether by the Company.</p> <p>e) Availability of service is contingent upon the Company's determination that such service is available through existing facilities.</p> <p>f) The Company may decline to initiate service to a customer under this tariff, if in the Company's 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.</p>
3. Net Monthly Rate	<p>In addition to any and all charges assessed by other parties, and in addition to the charges applicable to Customer associated with their Rate T-2 transportation or Rate T-4 carriage service requirements, the following supplemental administrative charge will be applied during months in which volumes are received and transported from the Alternate Receipt Point:</p> <p>a) Administrative Charge @ \$50.00 per month</p>

ISSUED: August 9, 2002
(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)
ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

ISSUED: August 9, 2002
(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)
ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

EFFECTIVE: October 1, 2002

Present

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Second SHEET No. 67
CANCELING
First Revised SHEET No. 67

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Third Revised SHEET No. 67
CANCELING
Second Revised SHEET No. 67

ATMOS ENERGY CORPORATION

ATMOS ENERGY CORPORATION

Alternate Receipt Point Service Rate T-5
<p>The administrative fee is waived if, during the month, the Alternate Receipt Point represents the only point of receipt utilized by the customer.</p> <p>4. Imbalances</p> <p>a) Volumes delivered by the Company under the Alternate Receipt Point service may be subjected to imbalance restrictions additional to those specified in the transportation (Rate T-2) or carriage (Rate T-3 or Rate T-4) tariffs.</p> <p>b) Parking allowances for volumes delivered under the Alternate Receipt Point service may be limited or restricted altogether, at the Company's judgment.</p> <p>5. Terms and Conditions</p> <p>a) Volumes under the Alternate Receipt Point service are received for redelivery by the Company on a strictly interruptible basis.</p> <p>b) The Company is not responsible for any costs incurred by the customer in its arrangement for gas supply or capacity to the Alternate Receipt Point.</p> <p>c) Specific details relating to volume, receipt point(s) and similar matters shall be covered by a separate written contract or amendment with the customer.</p> <p>d) Other than provisions referenced herein, or as more specifically set forth in the contract or amendment with the customer, all provisions of the customer's transportation (Rate T-2) or carriage (Rate T-3 or Rate T-4) tariffs shall apply.</p>

Alternate Receipt Point Service Rate T-5
<p>The administrative fee is waived if, during the month, the Alternate Receipt Point represents the only point of receipt utilized by the customer.</p> <p>4. Imbalances</p> <p>a) Volumes delivered by the Company under the Alternate Receipt Point service may be subjected to imbalance restrictions additional to those specified in the transportation (Rate T-3 or Rate T-4) tariffs. (T)</p> <p>b) Parking allowances for volumes delivered under the Alternate Receipt Point service may be limited or restricted altogether, at the Company's judgment.</p> <p>5. Terms and Conditions</p> <p>a) Volumes under the Alternate Receipt Point service are received for redelivery by the Company on a strictly interruptible basis.</p> <p>b) The Company is not responsible for any costs incurred by the customer in its arrangement for gas supply or capacity to the Alternate Receipt Point.</p> <p>c) Specific details relating to volume, receipt point(s) and similar matters shall be covered by a separate written contract or amendment with the customer.</p> <p>d) Other than provisions referenced herein, or as more specifically set forth in the contract or amendment with the customer, all provisions of the customer's transportation (Rate T-3 or Rate T-4) tariffs shall apply. (T)</p>

ISSUED: April 9, 2009
(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

EFFECTIVE: May 2, 2009

ISSUED BY: Mark A. Martin Vice President - Rates & Regulatory Affairs/Kentucky Division

ISSUED: October 30, 2009
(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-0354)

EFFECTIVE: December 1, 2009

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 67.1

ATMOS ENERGY CORPORATION	
Transportation/Carriage Pooling Service	
Rate T-6	
1. Applicable	(N)
Entire service area of the Company to any customer, subject to limitations noted below, for that portion of the customer's Rate T-2 transportation or carriage service (Rate T-3 or Rate T-4) requirements.	
2. Terms and Conditions	
a) For the purpose of this section, a Pool Manager is defined as an entity which has been appointed by a customer or group of customers served under this rate schedule to perform the functions and responsibilities of requesting information, nominating supply, and other related duties. The Pool Manager shall have all of the rights under this Transportation/Carriage Pooling Service and the companion rate schedules (i.e. T-2, T-3, T-4) as does a Customer transporting gas supply.	
b) The Pool Manager will be responsible for arranging for volumes of transportation gas to meet the daily and monthly requirements of customers in the pool. The cash out provisions and/or any daily scheduling provisions of rate schedule T-4 shall be applied against the aggregate volume of all customers in a specific pool. The Pool Manager will be responsible for the payment of any monthly cash out payments, scheduling fees and any penalties incurred by a specific pool.	
c) The Company, at its sole discretion, shall establish pooling areas by Connecting Pipeline, Pipeline zone, Company receipt point, geographic area, operational area, companion rate schedule (i.e. T-2, T-3 and T-4), administrative or other appropriate parameters.	
d) No customer shall participate in a Pool that does not individually meet the availability conditions of this rate schedule or the applicable T-2, T-3 or T-4 tariffs, and no customer shall participate in more than one pool concurrently. Customers must have EFM and must utilize the Company's electronic nomination system to qualify for this pooling service.	
e) To receive service hereunder, the Pool Manager shall enter into a Pool Management Agreement with Company and shall submit an Agency Authorization Form for each member of the pool, signed by both Customer and its Pool Manager.	
f) The Pool Manager shall submit a signed Pool Management Agreement and an Agency Authorization Form for each member of the pool at least 30 days prior to the beginning of a billing period when service under this rate schedule shall commence. A customer who terminates service under this rate schedule or who desires to change Pool Managers shall likewise provide Company with a written notice at least 30 days prior to the end of a billing period.	

ISSUED: August 1, 2007

EFFECTIVE: August 1, 2007

(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin

Vice President Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 67.1
Cancelling
Original SHEET No. 67.1

ATMOS ENERGY CORPORATION	
Transportation Pooling Service	
Rate T-6	
1. Applicable	(T)
Entire service area of the Company to any customer, subject to limitations noted below, for that portion of the customer's Rate T-2 transportation or carriage service (Rate T-3 or Rate T-4) requirements.	
2. Terms and Conditions	
a) For the purpose of this section, a Pool Manager is defined as an entity which has been appointed by a customer or group of customers served under this rate schedule to perform the functions and responsibilities of requesting information, nominating supply, and other related duties. The Pool Manager shall have all of the rights under this Transportation Pooling Service and the companion rate schedules (i.e. T-3, T-4) as does a Customer transporting gas supply.	
b) The Pool Manager will be responsible for arranging for volumes of transportation gas to meet the daily and monthly requirements of customers in the pool. The cash out provisions and/or any daily scheduling provisions of rate schedule T-4 shall be applied against the aggregate volume of all customers in a specific pool. The Pool Manager will be responsible for the payment of any monthly cash out payments, scheduling fees and any penalties incurred by a specific pool.	
c) The Company, at its sole discretion, shall establish pooling areas by Connecting Pipeline, Pipeline zone, Company receipt point, geographic area, operational area, companion rate schedule (i.e. T-3 and T-4), administrative or other appropriate parameters.	(T)
d) No customer shall participate in a Pool that does not individually meet the availability conditions of this rate schedule or the applicable T-3 or T-4 tariffs, and no customer shall participate in more than one pool concurrently. Customers must have EFM and must utilize the Company's electronic nomination system to qualify for this pooling service.	(T)
e) To receive service hereunder, the Pool Manager shall enter into a Pool Management Agreement with Company and shall submit an Agency Authorization Form for each member of the pool, signed by both Customer and its Pool Manager.	
f) The Pool Manager shall submit a signed Pool Management Agreement and an Agency Authorization Form for each member of the pool at least 30 days prior to the beginning of a billing period when service under this rate schedule shall commence. A customer who terminates service under this rate schedule or who desires to change Pool Managers shall likewise provide Company with a written notice at least 30 days prior to the end of a billing period.	

ISSUED: October 30, 2009

EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354)

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original Sheet No. 67.2

ATMOS ENERGY CORPORATION

Transportation/Carriage Pooling Service Rate T-6

(N)

- g) The Pool Manager shall upon request of the Company agree to maintain a cash deposit, a surety bond, an irrevocable letter of credit, or such other financial instrument satisfactory to Company in order to assure the Pool Manager's performance of its obligations under the Pool Management Agreement. In determining the level of the deposit, bond, or other surety to be required of the Pool Manager, the Company shall consider such factors, including, but not limited to, the following: the volume of natural gas to be transported on behalf of the Pool members, the general credit worthiness of the Pool Manager, and the Pool Managers prior credit record with the Company, if any. In the event that the Pool Manager defaults on its obligations under this rate schedule or the Pool Management Agreement, the company shall have the right to use such cash deposit, or proceeds from such bond, irrevocable letter of credit, or other financial instrument to satisfy the Pool Manager's obligation hereunder. Specific terms and conditions regarding credit requirements shall be included in the Pool Management Agreement. Such credit requirements shall be administered by the Company in a non-discriminatory manner, and such credit requirements may change as the requirements of the pool change.
- h) The Pool Manager shall notify the Company in writing of any changes in the composition of the pool at least 30 days prior to the beginning of the first billing period that would apply to the modified pool.
- i) The Pool Management Agreement will be terminated by the Company upon 30 days written notice if a Pool Manager fails to meet any condition of this rate schedule. The Pool Management Agreement will also be terminated by the Company upon 30 days written notice if the Pool Manager has payments in arrears. Written notice of termination of the Pool Management Agreement shall be provided both to the Pool Manager and to the individual members of the pool by the Company.
- j) Company shall directly bill the Pool Manager for the monthly cash out charges, penalties, or other payments contained in this rate schedule. The monthly bill will be due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.
- k) Company shall directly bill the individual customers in the pool for all charges as specified in their contract in accordance with the tariff under which their service is provided.

ISSUED: August 1, 2007

EFFECTIVE: August 1, 2007

(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin

Vice President Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 67.2
Canceling
Original SHEET No. 67.2

ATMOS ENERGY CORPORATION

Transportation Pooling Service Rate T-6

(T)

- g) The Pool Manager shall upon request of the Company agree to maintain a cash deposit, a surety bond, an irrevocable letter of credit, or such other financial instrument satisfactory to Company in order to assure the Pool Manager's performance of its obligations under the Pool Management Agreement. In determining the level of the deposit, bond, or other surety to be required of the Pool Manager, the Company shall consider such factors, including, but not limited to, the following: the volume of natural gas to be transported on behalf of the Pool members, the general credit worthiness of the Pool Manager, and the Pool Managers prior credit record with the Company, if any. In the event that the Pool Manager defaults on its obligations under this rate schedule or the Pool Management Agreement, the company shall have the right to use such cash deposit, or proceeds from such bond, irrevocable letter of credit, or other financial instrument to satisfy the Pool Manager's obligation hereunder. Specific terms and conditions regarding credit requirements shall be included in the Pool Management Agreement. Such credit requirements shall be administered by the Company in a non-discriminatory manner, and such credit requirements may change as the requirements of the pool change.
- h) The Pool Manager shall notify the Company in writing of any changes in the composition of the pool at least 30 days prior to the beginning of the first billing period that would apply to the modified pool.
- i) The Pool Management Agreement will be terminated by the Company upon 30 days written notice if a Pool Manager fails to meet any condition of this rate schedule. The Pool Management Agreement will also be terminated by the Company upon 30 days written notice if the Pool Manager has payments in arrears. Written notice of termination of the Pool Management Agreement shall be provided both to the Pool Manager and to the individual members of the pool by the Company.
- j) Company shall directly bill the Pool Manager for the monthly cash out charges, penalties, or other payments contained in this rate schedule. The monthly bill will be due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.
- k) Company shall directly bill the individual customers in the pool for all charges as specified in their contract in accordance with the tariff under which their service is provided.

ISSUED: October 30, 2009

EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354)

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
 P.S.C. NO. 1
 First Revised SHEET No. 68
 CANCELING
 Original SHEET No. 68

ATMOS ENERGY CORPORATION

Special Charges			
Service	After Hours	Regular	
Meter Set*	\$44.00	\$34.00	(L,I)
Turn-on*	28.00	23.00	(L,I)
Read	14.00	12.00	
Reconnect Delinquent Service	47.00	39.00	(L,I)
Seasonal Charge	73.00	65.00	
Special Meter Reading Charge	N/A	No Charge	
Meter Test Charge	N/A	20.00	
Returned Check Charge	N/A	25.00	(N,I)
Late Payment Charge (Rate G-1 only)		5%	
Optional Facilities Charge for Electronic Flow Measurement ("EFM") equipment			
- Class 1 EFM equipment (less than \$7,500, including installation costs)		75.00 per mo.	(R)
- Class 2 EFM equipment (more than \$7,500, including installation costs)		175.00 per mo.	(R)
* Waived for qualified low income applicants ("LIHEAP participants")			

ISSUED: August 1, 2007

(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin

EFFECTIVE: August 1, 2007

Vice President Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
 P.S.C. NO. 1
 First Revised SHEET No. 68
 CANCELING
 Original SHEET No. 68

ATMOS ENERGY CORPORATION

Special Charges			
Service	After Hours	Regular	
Meter Set*	\$44.00	\$34.00	(L,I)
Turn-on*	28.00	23.00	(L,I)
Read	14.00	12.00	
Reconnect Delinquent Service	47.00	39.00	(L,I)
Seasonal Charge	73.00	65.00	
Special Meter Reading Charge	N/A	No Charge	
Meter Test Charge	N/A	20.00	
Returned Check Charge	N/A	25.00	(N,I)
Late Payment Charge (Rate G-1 only)		5%	
Optional Facilities Charge for Electronic Flow Measurement ("EFM") equipment			
- Class 1 EFM equipment (less than \$7,500, including installation costs)		75.00 per mo.	(R)
- Class 2 EFM equipment (more than \$7,500, including installation costs)		175.00 per mo.	(R)
* Waived for qualified low income applicants ("LIHEAP participants")			

ISSUED: August 1, 2007

(Issued by Authority of an Order of the Public Service Commission in Case No. 2006-00464 dated July 31, 2007)

ISSUED BY: Mark A. Martin

EFFECTIVE: August 1, 2007

Vice President Regulatory Affairs/Kentucky Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 69
Cancelling
Original SHEET No. 69

ATMOS ENERGY CORPORATION

(D)
RESERVED FOR FUTURE USE

ISSUED: April 10, 2003

EFFECTIVE: May 2, 2003

ISSUED BY: Gary L. Smith Vice President – Marketing & Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 69
Cancelling
Original SHEET No. 69

ATMOS ENERGY CORPORATION

RESERVED FOR FUTURE USE
(D)

ISSUED: April 10, 2003

EFFECTIVE: May 2, 2003

ISSUED BY: Gary L. Smith Vice President – Marketing & Regulatory Affairs/Kentucky Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 70

ATMOS ENERGY CORPORATION

Rules and Regulations

1. Commission's Rules and Regulations

All gas service rendered by the Company shall be in accordance with the Kentucky Public Service Commission (Commission) law and the acts, rules, regulations and forms which have been adopted by the Public Service Commission of Kentucky and all amendments and modification which may be made by the Commission. In the event of a conflict between Commission law or regulations and a following Company rule the Commission regulation will control, unless the Company rule was approved by the Commission.

2. Company's Rules and Regulations

In addition to the Rules and Regulations prescribed by the Commission, all gas service rendered shall also be in accordance with the following Company Rules and Regulations adopted by the Company. The following rules are part of the Contract between the Company and each Customer.

3. Application for Service

Applications for service may be made at the Company's local office either in person, or by telephone. The application for service is not complete until the applicant has fulfilled all applicable tariff eligibility requirements and complied with these rules. A separate application or contract shall be made for each class of service at each separate location.

In cases where unusual circumstances or equipment expense is necessary to furnish the service, the Company may require a contract for a minimum period of one (1) year.

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 70

ATMOS ENERGY CORPORATION

Rules and Regulations

1. Commission's Rules and Regulations

All gas service rendered by the Company shall be in accordance with the Kentucky Public Service Commission (Commission) law and the acts, rules, regulations and forms which have been adopted by the Public Service Commission of Kentucky and all amendments and modification which may be made by the Commission. In the event of a conflict between Commission law or regulations and a following Company rule the Commission regulation will control, unless the Company rule was approved by the Commission.

2. Company's Rules and Regulations

In addition to the Rules and Regulations prescribed by the Commission, all gas service rendered shall also be in accordance with the following Company Rules and Regulations adopted by the Company. The following rules are part of the Contract between the Company and each Customer.

3. Application for Service

Applications for service may be made at the Company's local office either in person, or by telephone. The application for service is not complete until the applicant has fulfilled all applicable tariff eligibility requirements and complied with these rules. A separate application or contract shall be made for each class of service at each separate location.

In cases where unusual circumstances or equipment expense is necessary to furnish the service, the Company may require a contract for a minimum period of one (1) year.

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs/Kentucky Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 71

ATMOS ENERGY CORPORATION

Rules and Regulations

4. Billings

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

ATMOS energy
Customer Number: 0000000000
Service Address: 601 S PORTLAND ST, MADISONVILLE, KY 40357
Account Number: 40357000000000000000
Billing Date: 07/01/99

BILLING INFORMATION:
PREVIOUS BALANCE: \$1.00
ADJUSTMENT TOTAL: -\$1.00
ADJUST GAS CHARGES (4): -\$1.00
CUSTOMER GAS CHARGE TOTAL: \$2.00
CUSTOMER CHARGE: \$2.00
GAS COST CHANGE @ 0.10/CF: \$2.00
CURRENT CHARGES: -\$1.00
CREDIT BALANCE: -\$12.00

YOUR ACCOUNT SHOWS A CREDIT BALANCE

ATMOS energy
Account Number: 40357000000000000000
Service Address: 601 S PORTLAND ST, MADISONVILLE, KY 40357
Account Number: 40357000000000000000
Billing Date: 07/01/99

1. Class of Service (Please See Sheet No. 7)
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. Any Adjustments
8. Gross Amount of Bill - Not Applicable to Residential Service
9. Date After Which a Penalty May Apply
10. Indicates an Estimated or Calculated Bill

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

ISSUED: August 9, 2002 EFFECTIVE: October 1, 2002
(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 71

ATMOS ENERGY CORPORATION

Rules and Regulations

4. Billings

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

ATMOS energy
Customer Number: 0000000000
Service Address: 601 S PORTLAND ST, MADISONVILLE, KY 40357
Account Number: 40357000000000000000
Billing Date: 07/01/99

BILLING INFORMATION:
PREVIOUS BALANCE: \$1.00
ADJUSTMENT TOTAL: -\$1.00
ADJUST GAS CHARGES (4): -\$1.00
CUSTOMER GAS CHARGE TOTAL: \$2.00
CUSTOMER CHARGE: \$2.00
GAS COST CHANGE @ 0.10/CF: \$2.00
CURRENT CHARGES: -\$1.00
CREDIT BALANCE: -\$12.00

YOUR ACCOUNT SHOWS A CREDIT BALANCE

ATMOS energy
Account Number: 40357000000000000000
Service Address: 601 S PORTLAND ST, MADISONVILLE, KY 40357
Account Number: 40357000000000000000
Billing Date: 07/01/99

1. Class of Service (Please See Sheet No. 7)
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. Any Adjustments
8. Gross Amount of Bill - Not Applicable to Residential Service
9. Date After Which a Penalty May Apply
10. Indicates an Estimated or Calculated Bill

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

ISSUED: August 9, 2002 EFFECTIVE: October 1, 2002
(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 72

ATMOS ENERGY CORPORATION

Rules and Regulations

- b) A conversion factor will be shown on the billing form when the basis of measurement for meter registration is different from the billing basis of measurement.
- c) The Company will read customer meters at least every two months, except during the months of November through April during which time meters will be read monthly unless prevented by reasons beyond the Company's control. However, customer-read meters shall be read by the Company at least once during each calendar year. Records shall be kept by the Company to insure that this information is available to Commission staff and any customer requesting this information. If, due to reasons beyond its control, the Company is unable to read a meter in accordance with this subsection, the Company shall record the date and time the attempt was made, if applicable, and the reason the Company was unable to read the meter.
- d) The gas consumed shall be measured by a meter or meters to be installed by the Company upon the customer's premises at a point most accessible or convenient for the Company. Except where multiple meters were installed at the Company's option each meter on the customer's premises shall be considered separately in calculating the amount of any bills. Meters include all measuring instruments and equipment.
- e) Monthly consumption of unmetered gas used for an outdoor gas light, as approved by the Company, will be calculated to be 2,000 cubic feet per month per mantle for upright mantles and for each pair of inverted mantles. On special models of gas lights where gas consumption is greater than those referred to above, the Company shall estimate the monthly consumption to the closest 100 cubic feet and bill customers that equal amount each month. Such consumption shall be billed under the appropriate rate applicable to the customer.
- f) Bills for gas service will be rendered monthly unless otherwise specified. Bills are due upon rendition and the past due date will be shown on the bill.

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 72

ATMOS ENERGY CORPORATION

Rules and Regulations

- b) A conversion factor will be shown on the billing form when the basis of measurement for meter registration is different from the billing basis of measurement.
- c) The Company will read customer meters at least every two months, except during the months of November through April during which time meters will be read monthly unless prevented by reasons beyond the Company's control. However, customer-read meters shall be read by the Company at least once during each calendar year. Records shall be kept by the Company to insure that this information is available to Commission staff and any customer requesting this information. If, due to reasons beyond its control, the Company is unable to read a meter in accordance with this subsection, the Company shall record the date and time the attempt was made, if applicable, and the reason the Company was unable to read the meter.
- d) The gas consumed shall be measured by a meter or meters to be installed by the Company upon the customer's premises at a point most accessible or convenient for the Company. Except where multiple meters were installed at the Company's option each meter on the customer's premises shall be considered separately in calculating the amount of any bills. Meters include all measuring instruments and equipment.
- e) Monthly consumption of unmetered gas used for an outdoor gas light, as approved by the Company, will be calculated to be 2,000 cubic feet per month per mantle for upright mantles and for each pair of inverted mantles. On special models of gas lights where gas consumption is greater than those referred to above, the Company shall estimate the monthly consumption to the closest 100 cubic feet and bill customers that equal amount each month. Such consumption shall be billed under the appropriate rate applicable to the customer.
- f) Bills for gas service will be rendered monthly unless otherwise specified. Bills are due upon rendition and the past due date will be shown on the bill.

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs/Kentucky Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 73

ATMOS ENERGY CORPORATION

Rules and Regulations
b) When the Company is unable to read the meter after a reasonable effort, or where the meter fails to operate, the customer will be billed on an estimated basis at the average of three (3) immediately preceding months, or similar months of utilization, and the billing adjusted as necessary when the meter is read.
5. Deposits
a) The Company may require from any customer a minimum cash deposit or other guaranty to secure payment of bills, except from those customers qualifying for service reconnection under Section 12 of these Rules and Regulations. The amount of a cash deposit shall not exceed two-twelfths (2/12) of the estimated annual bill of a customer who is to be billed on a monthly basis, three-twelfths (3/12) where bills are rendered bimonthly, or four-twelfths (4/12) where bills are rendered quarterly. If actual usage data is available for the customer at the same or similar premises, the deposit amount shall be calculated using the customer's average bill for the most recent twelve (12) month period. If actual usage data is not available, the deposit amount shall be based on the average bills of similar customers and premises in the system.
b) A deposit will be required from a customer or applicant who: <ol style="list-style-type: none">1. Lacks a satisfactory credit or payment history.2. Was previously terminated due to non-payment for natural gas service.3. Is not the property owner (a renter of the premises to be served).4. Is requesting service for a mobile home.
c) If a customer has been late on two (2) or more payments in the last twelve (12) months and does not have a deposit on file with the Company, the Company may require that a deposit be made.
d) If a substantial change in usage has occurred, the Company may require that an additional deposit be made. No additional or subsequent deposit shall be required of residential customers whose payment record is satisfactory, unless the customer's classification of service changes.

ISSUED: August 9, 2002

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ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 73

ATMOS ENERGY CORPORATION

Rules and Regulations
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a) The Company may require from any customer a minimum cash deposit or other guaranty to secure payment of bills, except from those customers qualifying for service reconnection under Section 12 of these Rules and Regulations. The amount of a cash deposit shall not exceed two-twelfths (2/12) of the estimated annual bill of a customer who is to be billed on a monthly basis, three-twelfths (3/12) where bills are rendered bimonthly, or four-twelfths (4/12) where bills are rendered quarterly. If actual usage data is available for the customer at the same or similar premises, the deposit amount shall be calculated using the customer's average bill for the most recent twelve (12) month period. If actual usage data is not available, the deposit amount shall be based on the average bills of similar customers and premises in the system.
b) A deposit will be required from a customer or applicant who: <ol style="list-style-type: none">1. Lacks a satisfactory credit or payment history.2. Was previously terminated due to non-payment for natural gas service.3. Is not the property owner (a renter of the premises to be served).4. Is requesting service for a mobile home.
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ISSUED: August 9, 2002

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ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 74

ATMOS ENERGY CORPORATION

Rules and Regulations

- a) The Company will issue to every customer from whom a deposit is collected a receipt of deposit. The receipt will show the name of the customer, location of the service or customer, account number, date, and amount of deposit. If the deposit amount changes, the Company will issue a new receipt of deposit to the customer.
- b) Except for Winter Hardship Reconnections (as provided by Section 12 of these Rules and Regulations) customer service may be refused or discontinued if payment of requested deposit is not made.
- c) Interest will accrue on all deposits at a rate prescribed by law, beginning on the date of deposit. Interest accrued will be refunded to the customer or credited to the customer's bill on an annual basis, except that the Company will not be required to refund or credit interest on deposits if the customer's bill is delinquent on the anniversary of the deposit date. If interest is paid or credited to the customer's bill prior to twelve (12) months from the date of deposits, the payment or credit shall be on a prorated basis. Upon termination of service, the deposit, any principal amounts, and interest earned and owing will be credited to the final bill with any remainder refunded to the customer.

When a deposit is required from a customer it will be held for twelve (12) months, or until service is discontinued, unless one of the following has occurred: (a) service has been terminated for non-payment of services or (b) the customer has been late on two (2) or more payments in the last twelve (12) months.

6. Special Charges

The Company may make special nonrecurring charges, approved by the Commission, to recover customer-specific costs incurred to benefit specific customers. Listed below are the special charges included in the Company's tariff and a short description of the related service performed or action taken by the Company. See the Special Charges, Sheet No. 68 for the amount of the charge.

- a) **Meter Set.** A meter set charge may be assessed for a new service or re-set, or temporary service.
- b) **Turn On.** A turn on charge may be assessed for connecting service which has been terminated or idle at a given premises for reasons other than nonpayment of bills or violation of the Company or Commission regulations.

ISSUED: August 9, 2002
(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)
ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

EFFECTIVE: October 1, 2002

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 74

ATMOS ENERGY CORPORATION

Rules and Regulations

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ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

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Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 75

ATMOS ENERGY CORPORATION

Rules and Regulations
<p>a) Read. A read charge may be assessed for the establishment of new service where only a meter read is required.</p> <p>b) Reconnect Delinquent Service. A reconnect delinquent service charge may be assessed to reconnect a service which has been terminated for nonpayment of bills or violation of the Company or Commission regulations. Customers qualifying for service reconnection under Section 12 of these Rules and Regulations shall be exempt from reconnect charges.</p> <p>c) Seasonal Charge. A seasonal charge may be assessed when the customer's service has been disconnected at his request and at any time subsequently within (12) months is reconnected at the same or any other premises.</p> <p>d) After Hours Charge. An additional charge shall be applied to any special service activity, including reconnects for delinquent service, initiated at the customer's request outside normal business hours such as at night, on weekends or holidays. The Company shall advise the customer of the applicable after hours charge upon initiation of the service request and offer the customer the alternative to perform the requested activity during normal business hours, including reconnects for delinquent service, as a means to avoid the after hours charge.</p> <p>g) Special Meter Reading Charge. This charge may be assessed when a customer requests that a meter be reread and the second reading shows that the original reading was correct. No charge shall be assessed if the original reading was incorrect. This charge may also be assessed when a customer who reads his own meter fails to read the meter for three (3) consecutive months, and it is necessary for a Company representative to make a trip to read the meter.</p> <p>(No such charge may be assessed until the amount of the charge is approved or otherwise accepted by the Commission).</p> <p>a) Meter Resetting Charge. A charge may be assessed for resetting a meter if the meter has been removed at the customer's request.</p> <p>b) Meter Test Charge. This charge may be assessed if a customer requests the meter be tested pursuant to Section 13 and 807 KAR 5:006, section 18, and the tests show the meter is not more than two (2) percent fast. No charge shall be made if the test shows the meter is more than two (2) percent fast.</p>

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(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

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FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 75

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Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 76

ATMOS ENERGY CORPORATION

Rules and Regulations
<p>j) Returned Check Charge. A returned check charge may be assessed if a check accepted for payment of a Company bill is not honored by the customer's financial institution.</p> <p>k) Late Payment Charge. A late payment charge may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received will first be applied to the bill for services rendered. Additional penalty charges will not be assessed on unpaid penalty charges.</p>
<p>7. <u>Customer Complaints to the Company</u></p> <p>Upon complaint to the Company by a customer at the Company's office, by telephone, or in writing, the Company will make a prompt and complete investigation and advise the complainant of its findings. If a written complaint or a complaint made in person at the Company's office is not resolved, the Company will provide written notice to the complainant of his right to file a complaint with the Commission, and will provide him with the address and telephone number of the Commission. If a telephone complaint is not resolved, the Company will provide at least oral notice to the complainant of his right to file a complaint with the Commission and the address and telephone number of the Commission.</p>
<p>8. <u>Bill Adjustments</u></p> <p>a) If upon periodic test, request test, or complaint test, a meter in service is found to be more than two (2) percent fast, additional tests shall be made to determine the average error of the meter. The test will be made in accordance with Commission regulations applicable to the type of meter involved.</p>

ISSUED: August 9, 2002
EFFECTIVE: October 1, 2002
(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

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FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
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ATMOS ENERGY CORPORATION

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ISSUED: August 9, 2002
EFFECTIVE: October 1, 2002
(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 77

ATMOS ENERGY CORPORATION

Rules and Regulations
<p>b) If test results on a customer's meter show an average error greater than two (2) percent fast or slow, or if a customer has been incorrectly billed for any other reason, except in an instance where the Company has filed a verified complaint with the appropriate law enforcement agency alleging fraud or theft by a customer, the Company will immediately determine the period during which the error has existed and will recompute and adjust the customer's bill. The adjustment will provide either a refund to the customer or collect an additional amount of revenue from the underbilled customer. The Company will readjust the account based upon the period during which the error is known to have existed. If the period during which the error existed cannot be determined with reasonable precision, the time period will be estimated using such data as elapsed time since the last meter test, if applicable, and historical usage data for the customer. If that data is not available, the average usage of similar customer loads shall be used for comparison purposes in calculating the time period. If the customer and the Company are unable to agree on an estimate of the time period during which the error existed, the Commission will determine the issue. In all instances of customer overbilling the customer's account will be credited or the overbilled amount refunded at the discretion of the customer within thirty (30) days after the final meter test results. The Company will not require customer repayment of any underbilling to be made over a period shorter than a period equal to the underbilling period.</p> <p>c) The Company will monitor customers' usage at least annually by comparing the volume against a high and low parameter. This parameter is based on the customer's usage from last month and the same billing period last year adjusted for weather conditions.</p> <p>The above procedures are designed to draw the Company's attention to unusual deviations in a customer's usage and provide reasonable means by which the Company can determine the reasons for the unusual deviation. If a customer's usage is unduly high and the deviation is not otherwise explained, the Company will test the customer's meter to determine whether the meter shows an average error greater than two (2) percent fast or slow.</p>

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 77

ATMOS ENERGY CORPORATION

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ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 78
Cancelling
Original SHEET No. 78

ATMOS ENERGY CORPORATION

Rules and Regulations

- b) If the Company's procedure for monitoring usage indicates that an investigation of a customer's usage is necessary, the Company will notify the customer in writing either during or immediately after the investigation of the reason for the investigation and of the findings of the investigation. If knowledge of a serious situation requires more expeditious notice, the Company will notify the customer by the most expedient means available.
- e) Customer accounts shall be considered to be current while a dispute is pending as long as the customer continues to make payments for the disputed period in accordance with historic usage or if that data is not available, the average usage of similar customer loads, and stays current on subsequent bills.
9. **Customer's Request for Termination of Service**
- a) Any customer desiring service termination or changed from one address to another shall give the Company at least three (3) working days notice in person, in writing, or by telephone, provided such notice does not violate contractual obligations or tariff provisions. The customer shall not be responsible for charges for service beyond the three (3) day notice period if the customer provides reasonable access to the meter during the notice period. If the customer notifies the Company of his request for termination by telephone, the burden of proof is on the customer to prove that service termination was requested if a dispute arises.
- b) Upon request that service be reconnected at any premises subsequent to the initial installation or connection to its service lines, the Company may charge the applicant a reconnect fee, as set out in the Miscellaneous Charges Rate, Sheet No. 68.
- c) The Company may "soft close" the account of any residential customer requesting service termination. Soft close is the closing of a residential customer's account in order to cease billing without physically disconnecting service to the premises in order to facilitate initiating service for the next residential customer at the same premises. The Company will advise the customer that service may be left on and will instruct the customer to lower all gas appliance thermostats. The Company will also advise the customer that if any gas appliances are to be removed, the line servicing the required appliance must be properly plugged or capped and that a qualified plumber should be contacted. The Company will continue to meter and read consumption at a premises under soft close in the normal manner as provided under Section 4 of these Rules and Regulations. Neither the customer terminating service nor the customer initiating service shall be liable for any gas metered while the premises is under soft close. Within 30 days of service under soft close, the account shall be physically disconnected, unless the Company enters into an agreement with a party responsible for the premises (such as a landlord, homeowner, real estate agent, etc.) moving the account to that party's name.

ISSUED: May 12, 2003

EFFECTIVE: June 1, 2003

ISSUED BY: Gary L. Smith

Vice President - Marketing & Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 78
Cancelling
Original SHEET No. 78

ATMOS ENERGY CORPORATION

Rules and Regulations

- b) If the Company's procedure for monitoring usage indicates that an investigation of a customer's usage is necessary, the Company will notify the customer in writing either during or immediately after the investigation of the reason for the investigation and of the findings of the investigation. If knowledge of a serious situation requires more expeditious notice, the Company will notify the customer by the most expedient means available.
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ISSUED: May 12, 2003

EFFECTIVE: June 1, 2003

ISSUED BY: Gary L. Smith

Vice President - Marketing & Regulatory Affairs/Kentucky Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 79
Cancelling
Original SHEET No. 79

ATMOS ENERGY CORPORATION

Rules and Regulations

10. Partial Payment and Budget Payment Plans

a) The Company will negotiate and accept reasonable partial payment plans at the request of residential customers who have received a termination notice for failure to pay as provided in Section 11 of these Rules and Regulations, except that the Company is not required to negotiate a partial payment plan with a customer who is delinquent under a previous partial payment plan. Partial payment plans will be mutually agreed upon and subject to the conditions in this subsection and Section 11 of these Rules and Regulations. Partial payment plans which extend for a period longer than thirty (30) days shall be in writing and will advise customers that service may be terminated without additional notice if the customer fails to meet the obligations of the plan.

b) The Company has a budget plan available for the convenience of its customers. The plan is designed to help equalize payment for gas service over a period of twelve months. The budget payment plan amount will be determined based on historical or estimated usage and billing amounts. Levelizing adjustments will be made as frequently as each month. A customer may elect to enter the plan at any time during the year.

To be accepted as a budget customer, the account balance must be paid in total before the customer is put on budget billing. It is understood that this budget billing plan will continue until the customer notifies the Company in writing or by telephone to discontinue the plan or the customer defaults in payment of such plan.

c) For customers presenting certificates under the provision of Section 11 (c) and Section 12 of these Rules and Regulations, the Company will negotiate partial payment plans based upon the customer's ability to pay, requiring the accounts to become current not later than the following October 15. Such plans may include, but are not limited to, budget payment plans and plans that defer payment of a portion of the arrearage until after the end of the heating season through a schedule of unequal payments.

ISSUED: April 10, 2003

EFFECTIVE: May 2, 2003

ISSUED BY: Gary L. Smith Vice President - Marketing & Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 79
Cancelling
Original SHEET No. 79

ATMOS ENERGY CORPORATION

Rules and Regulations

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b) The Company has a budget plan available for the convenience of its customers. The plan is designed to help equalize payment for gas service over a period of twelve months. The budget payment plan amount will be determined based on historical or estimated usage and billing amounts. Levelizing adjustments will be made as frequently as each month. A customer may elect to enter the plan at any time during the year.

To be accepted as a budget customer, the account balance must be paid in total before the customer is put on budget billing. It is understood that this budget billing plan will continue until the customer notifies the Company in writing or by telephone to discontinue the plan or the customer defaults in payment of such plan.

c) For customers presenting certificates under the provision of Section 11 (c) and Section 12 of these Rules and Regulations, the Company will negotiate partial payment plans based upon the customer's ability to pay, requiring the accounts to become current not later than the following October 15. Such plans may include, but are not limited to, budget payment plans and plans that defer payment of a portion of the arrearage until after the end of the heating season through a schedule of unequal payments.

ISSUED: April 10, 2003

EFFECTIVE: May 2, 2003

ISSUED BY: Gary L. Smith Vice President - Marketing & Regulatory Affairs/Kentucky Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 80

ATMOS ENERGY CORPORATION

Rules and Regulations
<p>11. <u>Company's Refusal or Termination of Service</u></p> <p>a) The Company may refuse or terminate service to a customer only under the following conditions, except as provided in subsections (b) and (c) of this section:</p> <ol style="list-style-type: none">1) The Company may terminate service for failure to comply with applicable tariffed rules or Commission regulations pertaining to that service. However, the Company will not terminate or refuse service to any customer for noncompliance with its tariffed rules or Commission regulations without first having made a reasonable effort to obtain customer compliance. After such effort by the Company, service may be terminated or refused only after the customer has been given at least ten (10) days written termination notice.2) If a dangerous condition relating to the Company's service, which could subject any person to imminent harm or result in substantial damage to the property of the Company or others, is found to exist on the customer's premises, the service will be refused or terminated without advance notice. The Company will notify the customer immediately in writing and, if possible, orally of the reasons for termination or refusal. However, if the dangerous condition, such as gas piping or a gas-fired appliance, can be effectively isolated or secured from the rest of the system, the Company may discontinue service only to the affected piping or appliance.3) When a customer refuses or neglects to provide reasonable access to the premises for installation, operation, meter reading, maintenance or removal of utility property, the Company may terminate or refuse service. Such action will be taken only when corrective action negotiated between the Company and the customer has failed to resolve the situation and after the customer has been given at least ten (10) days written notice of termination.4) Except as provided in Section 12 of these Rules and Regulations, the Company will not be required to furnish new service to any customer who is indebted to the Company for service furnished or other tariffed charges until that customer has paid his indebtedness.

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 80

ATMOS ENERGY CORPORATION

Rules and Regulations
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ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 81

ATMOS ENERGY CORPORATION

Rules and Regulations
<p>5) The Company may refuse or terminate service to a customer if the customer does not comply with state, municipal or other codes, rules and regulations applying to such service. The Company may terminate service only after ten (10) days written notice is provided, unless ordered to terminate immediately by a governmental official.</p> <p>6) Company may terminate service at point of delivery for nonpayment of charges incurred for utility service at that point of delivery. Failure to receive a bill does not exempt a customer from those provisions. However, the Company will not terminate service to any customer for nonpayment of bills for any tariffed charge without first having mailed or otherwise delivered an advance termination notice.</p> <p>When the Company is proposing to terminate customer service for nonpayment it will mail or otherwise deliver to that customer ten (10) days written notice of intent to terminate. Under no circumstances will service be terminated before twenty-seven (27) days after the mailing date of the original unpaid bill. The termination notice to residential customers will include written notification to the customer of the existence of local, state, and federal programs providing for the payment of utility bills under certain conditions, and of the address and telephone number of the Department of Community-Based Services of the Cabinet for Families and Children to contact for possible assistance.</p> <p>7) The Company may terminate service to a customer without advance notice if it has evidence that a customer has obtained unauthorized service by illegal use or theft. Within twenty-four (24) hours after such termination, the Company will send written notification to the customer of the reasons for termination or refusal of service upon which the Company relies, and of the customer's right to challenge the termination by filing a formal complaint with the Commission. This right of termination is separate from and in addition to any other legal remedies which the Company may pursue for illegal use or theft of service. The Company will not be required to restore service until the customer has complied with all tariffed rules of the Company and laws and regulations of the Commission.</p>

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 81

ATMOS ENERGY CORPORATION

Rules and Regulations
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ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 82

ATMOS ENERGY CORPORATION

Rules and Regulations	
6)	The termination notice requirements of this subsection shall not apply if termination notice requirements to a particular customer or customers are otherwise dictated by the terms of a special contract between the Company and the customer which has been approved by the Commission.
7)	The Company reserves the right to refuse or to defer full service to an applicant where the existing mains are inadequate to serve the applicant's requirements without adversely affecting the service to customers already connected and being served.
a)	The Company will not terminate service to a customer if the following exist:
1)	If following receipt of a termination notice for nonpayment, but prior to the actual termination of service, there is delivered to the Company payment of the amount in arrears, service will not be terminated.
2)	Service will not be terminated for nonpayment if the customer and the Company have entered into a partial payment plan in accordance with Section 10 of these Rules and Regulations and the customer is meeting the requirements of the plan.
3)	Service will not be terminated for nonpayment for thirty (30) days beyond the termination date if a doctor, registered nurse, or a public health officer certifies in writing that termination of service will aggravate a debilitating illness or infirmity on the affected premises. The Company may refuse to grant consecutive extensions for medical certificates past the original thirty (30) days unless the certificate is accompanied by an agreed upon partial payment plan per Section 10 (c) of these Rules and Regulations. The Company will not require a new deposit from a customer who presents to the Company a medical certificate certified in writing by a doctor, registered nurse, or public health official.

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 82

ATMOS ENERGY CORPORATION

Rules and Regulations	
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2)	Service will not be terminated for nonpayment if the customer and the Company have entered into a partial payment plan in accordance with Section 10 of these Rules and Regulations and the customer is meeting the requirements of the plan.
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ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs/Kentucky Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 83

ATMOS ENERGY CORPORATION

Rules and Regulations
<p>a) The Company will not terminate service for thirty (30) days beyond the termination date if the Kentucky Cabinet for Families and Children (or its designee) certifies in writing that the customer is eligible for the Cabinet's Energy Assistance Program or household income is at or below 110 percent of the poverty level, and the customer presents such certificate to the Company. Customers eligible for such certification from the Cabinet for Families and Children will have been issued a termination notice between November 1 and March 31. Certificates shall be presented to the Company during the initial ten (10) day termination notice period. As a condition of the thirty (30) day extension, the customer will exhibit good faith in paying his indebtedness by making a payment in accordance with his ability to do so. In addition, the customer will agree to a repayment plan in accordance with Section 10 (c) of these Rules and Regulations which will permit the customer to become current in the payment of his bill as soon as possible but no later than October 15. The Company will not require a new deposit from a customer who presents a certificate to the Company, certified by the Kentucky Cabinet for Families and Children (or its designee), that the customer is eligible for the Cabinet's Energy Assistance Program or whose household is at or below 110 percent of the poverty level.</p>
<p>12. <u>Winter Hardship Reconnection</u></p> <p>a) Notwithstanding the provision of 807 KAR 5:006 section 13 (4) to the contrary, the Company shall reconnect service to a residential customer who has been disconnected for nonpayment of bills and who applies for such reconnection during the months from November through March if the customer or his agent:</p> <ol style="list-style-type: none">1) Presents a certificate of need from the Cabinet for Families and Children, Department for Community-Based Services, including a certificate that a referral for weatherization services has been made in accordance with subsection (c) of this section.2) Pays one-third (1/3) of his outstanding bill or \$200, whichever is less.

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 83

ATMOS ENERGY CORPORATION

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ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 84

ATMOS ENERGY CORPORATION

Rules and Regulations
<p>3) Agrees to a repayment schedule which would cause the customer to be current in the payment of his bill, as soon as possible but no later than October 15. However, if, at the time of application for reconnection, the customer has an outstanding bill in excess of \$600 and agrees to a repayment plan that would pay current charges and makes a good faith reduction in the outstanding bill consistent with his ability to pay, then such plan will be accepted.</p> <p>1) The Company will not require a new deposit from a customer whose service is reconnected due to paragraphs 1, 2 or 3 of this subsection.</p> <p>a) Federal and stateside energy assistance programs are administered by the Kentucky Cabinet for Families and Children, Department for Community-Based Services. A customer who is eligible for energy assistance under the Department's guidelines or is certified as being in genuine financial need, which is defined as any household with gross income at or below 110 percent of the poverty level, may obtain a certificate of need from the Department to be used in obtaining a service reconnection from the Company.</p> <p>b) Customers obtaining a certificate of need under this section will agree to accept referral to and utilize weatherization services which are administered by the Cabinet for Families and Children. The provisions and acceptance of weatherization services is contingent on the availability of funds and other program guidelines. Weatherization services include, but are not limited to, weather stripping, insulation, and caulking.</p> <p>c) Customers who are current in their payment plans under this section will not be disconnected.</p> <p>13. Request Tests</p> <p>a) The Company will make a test of any meter upon written request of any customer if the request is not made more frequently than once each twelve (12) months. The customer will be given the opportunity to be present at the requested test. If the test shows that the meter was not more than two (2) percent fast, the Company may make a reasonable charge for the test. The amount of the charge will be equal to the reconnect charge shown on Miscellaneous Charges Rate, Sheet No. 68.</p>

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 84

ATMOS ENERGY CORPORATION

Rules and Regulations
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ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 85

ATMOS ENERGY CORPORATION

Rules and Regulations

- a) After having first obtained a test from the Company, any customer of the Company may request a meter test by the Commission upon written application. Such request shall not be made more frequently on one (1) meter than once each twelve (12) months.

14. Access to Property

The Company shall at all reasonable hours have access to meters, service connections and other property owned by it and located on customer's premises for purposes of installation, maintenance, meter reading, operation, replacement or removal of its property at the time service is to be terminated. Any employee of the Company whose duties require them to enter a customer's premises will wear a distinguishing uniform or other insignia, identifying him as an employee of the Company, or show a badge or other identification which will identify him as an employee of the Company.

15. Assignment of Contract

The benefits and obligations of any service application or contract shall begin when the Company commences to supply gas service. It shall insure to and be binding upon the successors and assigns, survivors and executors or administrators, as the case may be, of the original parties thereto, respectively, for the full term thereof. However, no application, agreement or contract for service may be assigned or transferred without the written consent or approval of the Company.

When the gas supply has been disconnected for non-payment of bills or other violation of the Company's Rules and Regulations the service will not be restored at the same location, or connected at another location, for the same or related occupants under a different contract or name when it is evident the change of name is a subterfuge designed to defraud or penalize the Company.

16. Renewal of Contract

If, upon the expiration of any service contract for a specified term, the customer continues to use the service, the contract (unless otherwise provided therein) will be automatically renewed and extended for successive periods of one year each, subject to termination at the end of any year upon thirty (30) days written notice by either Party.

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 85
Canceling
Original SHEET No. 85

ATMOS ENERGY CORPORATION

Rules and Regulations

- a) After having first obtained a test from the Company, any customer of the Company may request a meter test by the Commission upon written application. Such request shall not be made more frequently on one (1) meter than once each twelve (12) months.

14. Access to Property

The Company shall at all reasonable hours have access to meters, service connections and other property owned by it and located on customer's premises for purposes of installation, maintenance, meter reading, operation, replacement or removal of its property at the time service is to be terminated. Any employee of the Company whose duties require them to enter a customer's premises will wear a distinguishing uniform or other insignia, identifying him as an employee of the Company, or show a badge or other identification which will identify him as an employee of the Company.

15. Service Lines

When Company initiates service to a new Residential or Commercial Customer, Company will install, own, operate and maintain the service line at the premises of Residential and Commercial Customers, if such premises are not connected to a Company main by a service line. With respect to Residential and Commercial Customers that occupy premises already connected to a Company main by a service line, Company shall be responsible for operating and maintaining the service line from the main to the meter. The Company will own the service line from the main to the property line while the Customer will own the service line from the property line to the meter ("customer-owned service line"). When the Company determines that replacement of customer-owned service line is necessary, Company shall be responsible for installing and maintaining the service line from the main to the meter and shall thereafter own the service line from the main to the meter. If it becomes necessary for Company to replace a service line, Company shall use its best efforts to replace the line, during normal working hours and as soon as practical, after Company is made aware of the need for the replacement of the service line.

ISSUED: October 30, 2009

EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354).

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 86

ATMOS ENERGY CORPORATION

Rules and Regulations
<p>17. <u>Turning Off Gas Service and Restoring Same</u></p> <p>The gas service may be turned off at the meter when justified by the customer or his agent or any constituted authorities but no person, unless in the employ of the Gas Company or having permission from the Gas Company, shall turn the gas on or restore service.</p> <p>18. <u>Special Rules for Customers Served from Transmission Mains</u></p> <p>In addition to the Standard Rules and Regulations the following special Rules and Regulations shall apply to all customers served directly from a high pressure transmission main which is the property of the Company or one of its suppliers:</p> <ul style="list-style-type: none">a) All service connections to a high pressure transmission line shall be subject to the special requirements, consent and approval of the owner of said line. In case the connection is to a line not the property of the Company, proper approval must be obtained from both the owner and the Company.b) An applicant may be required to execute a special form application and service contract or agreement acceptable to both the owner of the transmission line and the Company prior to the time the tap or connection is made. If the transmission line is owned by the Company only the approval and acceptance of the Company is necessary.c) All meters, regulators, equipment and connections necessary to serve the customer from a high pressure transmission line shall be installed on the customer's premises at or as near the transmission line as is practical.d) Suitable site or location for the equipment owned by the Company or the owner of the line will be provided and furnished by the customer without any expense to the Company or owner of the line. The Company or owner of the line will have the right of ingress, egress and regress to and from this location at any time without any expense or charges from the customer.

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter

Vice President - Rates & Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 86
Canceling
Original SHEET No. 86

ATMOS ENERGY CORPORATION

Rules and Regulations
<p>16. <u>Assignment of Contract</u></p> <p>The benefits and obligations of any service application or contract shall begin when the Company commences to supply gas service. It shall insure to and be binding upon the successors and assigns, survivors and executors or administrators, as the case may be, of the original parties thereto, respectively, for the full term thereof. However, no application, agreement or contract for service may be assigned or transferred without the written consent or approval of the Company.</p> <p>When the gas supply has been disconnected for non-payment of bills or other violation of the Company's Rules and Regulations the service will not be restored at the same location, or connected at another location, for the same or related occupants under a different contract or name when it is evident the change of name is a subterfuge designed to defraud or penalize the Company.</p> <p>17. <u>Renewal of Contract</u></p> <p>If, upon the expiration of any service contract for a specified term, the customer continues to use the service, the contract (unless otherwise provided therein) will be automatically renewed and extended for successive periods of one year each, subject to termination at the end of any year upon thirty (30) days written notice by either Party.</p> <p>18. <u>Turning Off Gas Service and Restoring Same</u></p> <p>The gas service may be turned off at the meter when justified by the customer or his agent or any constituted authorities but no person, unless in the employ of the Company or having permission from the Company, shall turn the gas on or restore service.</p> <p>19. <u>Special Rules for Customers Served from Transmission Mains</u></p> <p>In addition to the Standard Rules and Regulations the following special Rules and Regulations shall apply to all customers served directly from a high pressure transmission main which is the property of the Company or one of its suppliers:</p>

ISSUED: October 30, 2009

EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00154).

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 87

ATMOS ENERGY CORPORATION

Rules and Regulations
<p>a) The customer's piping extending from the outlet of the meter shall be installed and maintained by the customer at his expense.</p> <p>b) The customer shall notify the Company promptly of any leaks in the transmission line or equipment, also, of any hazards or damages to same.</p> <p>c) Customers may be required to send in monthly meter readings to the Company on suitable forms provided by the Company.</p>
<p>19. Owners Consent</p> <p>In case the customer is not the owner of the premises where service is to be provided, it will be the customer's responsibility to obtain from the property owner or owners the necessary consent to install and maintain in or on said premises all such piping and other equipment as are required or necessary for supplying gas service to the customer whether the piping and equipment be the property of the customer or the Company.</p> <p>The Company will not require a prospective customer to obtain easements or rights-of-way on property not owned by the prospective customer as a condition for providing service. The cost of obtaining easements or rights-of-way will be included in the total per foot cost of an extension, and will be apportioned according to Section 28 in these Rules and Regulations.</p>
<p>20. Customer's Equipment and Installation</p> <p>a) The customer shall furnish, install and maintain at his expense the necessary customer's service line extending from the Company's service connection at the curb or property line to the building or place of utilization of the gas.</p> <p>b) The installation of the customer's service line shall be made in accordance with the requirement of the constituted authorities and the Company's specifications covering locations, installation, kind and size of pipe, type of pipe coating or wrapping, and method of connecting the joints of pipe. The location shall be the point of easiest access to the Company from its facilities and the Company shall be consulted and its approval obtained before the installation is made.</p>

ISSUED: August 9, 2002
(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 87
Cancelling
Original SHEET No. 87

ATMOS ENERGY CORPORATION

Rules and Regulations
<p>a) The customer's piping extending from the outlet of the meter shall be installed and maintained by the customer at his expense.</p> <p>b) The customer shall notify the Company promptly of any leaks in the transmission line or equipment, also, of any hazards or damages to same.</p> <p>a) Customers may be required to send in monthly meter readings to the Company on suitable forms provided by the Company.</p>
<p>20. Owners Consent</p> <p>In case the customer is not the owner of the premises where service is to be provided, it will be the customer's responsibility to obtain from the property owner or owners the necessary consent to install and maintain in or on said premises all such piping and other equipment as are required or necessary for supplying gas service to the customer whether the piping and equipment be the property of the customer or the Company.</p> <p>The Company will not require a prospective customer to obtain easements or rights-of-way on property not owned by the prospective customer as a condition for providing service. The cost of obtaining easements or rights-of-way will be included in the total per foot cost of an extension, and will be apportioned according to Section 29 in these Rules and Regulations.</p>
<p>21. Customer's Equipment and Installation</p> <p>a) In addition to the customer-owned service line, if any, the customer shall furnish, install and maintain at his expense the necessary piping downstream from the meter, including but not limited to house piping, connections and appliances. It shall also be the responsibility of the customer to install and maintain same in accordance with the requirements and specification of all local, state and national codes and regulations applicable to his specific usage and occupancy.</p> <p>b) All of the piping, connections and appliances shall be suitable for the purposes thereof and shall be maintained by the customer at his expense at all time in a good, safe and serviceable condition.</p>

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Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 88

ATMOS ENERGY CORPORATION

Rules and Regulations	
a)	In the installation of the service line the customer shall not install any tees or branch connection. The customer must leave the trench open and pipe uncovered until it is examined by an inspector of the Company and shown to be free from any irregularity or defect. The customer shall not make any change in or interfere with his service line without the written consent of the Company. The Company will inspect the condition of the meter and service connection before making service connections to a new customer. The customer will be afforded the opportunity to be present at such inspections. The Company will not be required to render service to any customer until any defects in the customer-owned portion of the service facilities have been corrected.
b)	In all cases where practical the customer's service line will not be installed entering a building underground but will be brought up out of the ground with a riser and entrance made to the building through the wall or foundation a minimum of six (6) inches above the ground.
c)	The customer shall furnish, install and maintain at his expense the necessary house piping, connections and appliances. It shall also be the responsibility of the customer to install and maintain same in accordance with the requirements and specifications of all local, state and national codes and regulations applicable to his specific usage and occupancy.
d)	All of the customer's service line, piping, connections and appliances shall be suitable for the purposes thereof and shall be maintained by the customer at his expense at all times in a good, safe and serviceable condition.
e)	The Company will inspect the condition of the meter and service connection before making service connections to a new customer so that prior or fraudulent use of the facilities will not be attributed to the new customer. The new customer will be afforded the opportunity to be present at such inspections. The Company will not be required to render service to any customer until any defects in the customer-owned portion of the service facilities have been corrected.
h)	The Company will not assume any responsibility and will not be held liable in any way for the making of any periodic inspection of the customer's service line, piping, connections or appliances, or for the customer's failure to properly and safely install, operate and maintain same.

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First Revised SHEET No. 88
Canceling
Original SHEET No. 88

ATMOS ENERGY CORPORATION

Rules and Regulations	
c)	The Company will inspect the condition of the meter and service connection before making service connections to a new customer so that prior or fraudulent use of the facilities will not be attributed to the new customer. The new customer will be afforded the opportunity to be present at such inspections. The Company will not be required to render service to any customer until any defects in the customer-owned portion of the service facilities have been corrected.
d)	The Company will not assume any responsibility and will not be held liable in any way for the making of any periodic inspection of the customer's piping downstream of the meter including but not limited to house piping, connections and appliances, or for the customer's failure to properly and safely install, operate and maintain same.
22. Company's Equipment and Installation	
The Company will furnish, install and maintain at its expense the necessary meter, regulator and connections. The Company's equipment will be located at or near the main, service connection, property line, near or in the building, at the discretion or judgment of the Company. Whenever practical, in the judgement of the Company, the location will be as near the supply main as possible and outside of buildings. A suitable site or location for the meter, regulator and connections shall be provided by the customer at no cost to the Company. The title to this equipment shall remain in the Company, with the right to install, operate, maintain and remove same, and no charge shall be made by the customer for use of the premises as occupied or used.	
23. Protection of Company's Property	
All meters, piping and other appliances and equipment furnished by or at the expense of the Company, which may at any time be in or on customer's premises shall, unless otherwise expressly provided herein, be and remain the property of the Company. The customer shall protect such property from loss or damage.	

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ATMOS ENERGY CORPORATION

Rules and Regulations
<p>21. <u>Company's Equipment and Installation</u></p> <p>The Company will furnish, install and maintain at its expense the necessary service connection extending from its main to the customer's nearest curb or property line. The location of this service connection will be made at the discretion and judgment of the Company.</p> <p>The Company will furnish, install and maintain at its expense the necessary meter, regulator and connections. The Company's equipment will be located at or near the main, service connection, property line, near or in the building, at the discretion or judgment of the Company. Whenever practical, in the judgement of the Company, the location will be as near the supply main as possible and outside of buildings. A suitable site or location for the meter, regulator and connections shall be provided by the customer at no cost to the Company. The title to this equipment shall remain in the Company, with the right to install, operate, maintain and remove same, and no charge shall be made by the customer for use of the premises as occupied or used.</p>
<p>22. <u>Protection of Company's Property</u></p> <p>All meters, piping and other appliances and equipment furnished by or at the expense of the Company, which may at any time be in or on customer's premises shall, unless otherwise expressly provided herein, be and remain the property of the Company. The customer shall protect such property from loss or damage.</p>
<p>23. <u>Customer's Liability</u></p> <p>The customer shall assume all responsibility for the gas service in or on the customer's premises, at and from the point of delivery of gas, and for all piping, appliances and equipment used in connection therewith which are not the property of the Company. The customer will protect and save the Company harmless from all claims for injury or damage to persons or property occurring on the customer's premises or at and from the point of delivery of gas occasioned by such gas or gas service and equipment, except where said injury or damage will be shown to have been caused solely by the negligence of the Company.</p>

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ATMOS ENERGY CORPORATION

Rules and Regulations
<p>24. <u>Customer's Liability</u> (T)</p> <p>The customer shall assume all responsibility for the gas service in or on the customer's premises, at and from the point of delivery of gas, and for all piping, appliances and equipment used in connection therewith which are not the property of the Company. The customer will protect and save the Company harmless from all claims for injury or damage to persons or property occurring on the customer's premises or at and from the point of delivery of gas occasioned by such gas or gas service and equipment, except where said injury or damage will be shown to have been caused solely by the negligence of the Company.</p>
<p>25. <u>Notice of Escaping Gas or Unsafe Conditions</u> (T)</p> <p>Immediate notice must be given by the customer to the Company if any escaping gas or unsafe conditions are detected or any defects or improper installations are discovered in piping and equipment of either the Company or the customer which are on the customer's premises.</p> <p>No flames or lights are to be taken near any escape of gas and the gas must be shut-off at the meter cock or valve until the hazard is eliminated and the gas service is not to be turned on again except by a Company employee.</p> <p>The Company will not be responsible or assume any liability for any injury, loss or damage which may arise from the carelessness or negligence of the customer or his agent or representatives.</p>
<p>26. <u>Special Provisions - Large Volume Customers</u> (T)</p> <p>Industrial, Commercial or other customers using large volumes of gas on a varying basis shall install and maintain at their expense adequate piping and suitable regulating and control equipment to provide reasonable and practical limitation of intermittence or fluctuation in the pressure, volume or flow of gas. The customer shall so regulate and control their operations and use of gas so as not to interfere with gas service being furnished to them or to any other customers, or with the proper and accurate metering of gas at their or any other location.</p>

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Original SHEET No. 90

ATMOS ENERGY CORPORATION

Rules and Regulations
<p>24. <u>Notice of Escaping Gas or Unsafe Conditions</u></p> <p>Immediate notice must be given by the customer to the Company if any escaping gas or unsafe conditions are detected or any defects or improper installations are discovered in piping and equipment of either the Company or the customer which are on the customer's premises.</p> <p>No flames or lights are to be taken near any escape of gas and the gas must be shut-off at the meter cock or valve until the hazard is eliminated and the gas service is not to be turned on again except by a Company employee.</p> <p>The Company will not be responsible or assume any liability for any injury, loss or damage which may arise from the carelessness or negligence of the customer or his agent or representatives.</p>
<p>25. <u>Special Provisions – Large Volume Customers</u></p> <p>Industrial, Commercial or other customers using large volumes of gas on a varying basis shall install and maintain at their expense adequate piping and suitable regulating and control equipment to provide reasonable and practical limitation of intermittence or fluctuation in the pressure, volume or flow of gas. The customer shall so regulate and control their operations and use of gas so as not to interfere with gas service being furnished to them or to any other customers, or with the proper and accurate metering of gas at their or any other location.</p>
<p>26. <u>Exclusive Service</u></p> <p>Except in cases where the customer has a special contract with the Company for reserve or auxiliary service, no other fuel service shall be used by the customer on the same installation in conjunction with the Company's service connection, either by means of valves or any other connection.</p> <p>The customer shall not sell the gas purchased from the Company to any other customer, company, or person. The customer shall not deliver gas purchased from the Company to any connection wherein said gas is to be used off of customer's premises or by persons over whom customer has no control.</p>

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ATMOS ENERGY CORPORATION

Rules and Regulations
<p>27. <u>Exclusive Service</u></p> <p>Except in cases where the customer has a special contract with the Company for reserve or auxiliary service, no other fuel service shall be used by the customer on the same installation in conjunction with the Company's service connection, either by means of valves or any other connection.</p> <p>The customer shall not sell the gas purchased from the Company to any other customer, company, or person. The customer shall not deliver gas purchased from the Company to any connection wherein said gas is to be used off of customer's premises or by persons over whom customer has no control.</p>
<p>28. <u>Point of Delivery of Gas</u></p> <p>The point of delivery of gas supplied by the Company shall be at the point where the gas passes from the pipes of the Company's service connection into the customer-owned service line, if any, or the outlet of the meter, whichever is nearest the delivery main of the Company.</p>
<p>29. <u>Distribution Main Extensions</u></p> <p>a) The Company will extend an existing distribution main up to one hundred (100) feet for each single customer provided the following criteria is met:</p> <ol style="list-style-type: none">1) The existing main is of sufficient capacity to properly supply the additional customer(s);2) Provided that the customer(s) contracts to use gas on a continuous basis for one (1) year or more; and,3) Provided the potential consumption and revenue will be of such amount and permanence as to warrant the capital expenditures involved to make the investment economically feasible.

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ATMOS ENERGY CORPORATION

Rules and Regulations

27. Point of Delivery of Gas

The point of delivery of gas supplied by the Company shall be at the point where the gas passes from the pipes of the Company's service connection in to the customer's service line or pipe or at the outlet of the meter, whichever is nearest the delivery main of the Company.

28. Distribution Main Extensions

- a) The Company will extend an existing distribution main up to one hundred (100) feet for each single customer provided the following criteria is met:
- 1) The existing main is of sufficient capacity to properly supply the additional customer(s);
 - 2) Provided that the customer(s) contracts to use gas on a continuous basis for one (1) year or more; and,
 - 3) Provided the potential consumption and revenue will be of such amount and permanence as to warrant the capital expenditures involved to make the investment economically feasible.
- b) Whenever an extension exceeds one hundred (100) feet per customer, the Company will enter into an agreement with the customer(s) or subscriber(s). The agreement will provide for the extension on a cost per foot basis with the additional amount to be deposited with the Company by the customer(s) or subscriber(s). The agreement will contain provisions for a proportionate and equitable refund in the event other customers are connected to the extension within a ten (10) year period. Refunds shall be made only after the customer(s) has used gas service for a minimum continuous period of one (1) year. The Company reserves the right to determine the length of the extension, to specify the pipe size and location of the extension, and to construct the extension in accordance with its standard practices. Title to all extensions covered by agreements shall be and remain in the Company and in no case shall the amount of any refunds exceed the original deposit. Any further or lateral extension shall be treated as a new and separate extension.

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ATMOS ENERGY CORPORATION

Rules and Regulations

- b) Whenever an extension exceeds one hundred (100) feet per customer, the Company will enter into an agreement with the customer(s) or subscriber(s). The agreement will provide for the extension on a cost per foot basis with the additional amount to be deposited with the Company by the customer(s) or subscriber(s). The agreement will contain provisions for a proportionate and equitable refund in the event other customers are connected to the extension within a ten (10) year period. Refunds shall be made only after the customer(s) has used gas service for a minimum continuous period of one (1) year. The Company reserves the right to determine the length of the extension, to specify the pipe size and location of the extension, and to construct the extension in accordance with its standard practices. Title to all extensions covered by agreements shall be and remain in the Company and in no case shall the amount of any refunds exceed the original deposit. Any further or lateral extension shall be treated as a new and separate extension.
- c) Nothing contained herein shall be construed as to prohibit the Company from making at its expense greater extensions to its distribution mains or the granting of more favorable and/or different terms in addition to those herein prescribed should its judgement so dictate, provided like extensions are made for other customers or subscribers under similar conditions.

30. Service Line Extensions

When the length of a service line is 100 feet or less, and the customer has agreed to use natural gas as its major source of energy, Company will assess no charge for the service line installation. A customer's major source of energy is defined as its primary energy source for heating the premises. If the Customer will not be using natural gas as its major energy source, the Customer may be required to contribute a portion of the cost of the service line in the form of a contribution in aid of construction. This amount will vary depending upon the installed appliances but will not exceed the Company's annual average cost of a service line. When the length of a service line exceed the 100 feet, Company may require Customer to contribute toward the cost of the service line installation an amount equal to the estimated cost per foot for each lineal foot of service line beyond the 100 feet.

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ATMOS ENERGY CORPORATION

Rules and Regulations
<p>c) Nothing contained herein shall be construed as to prohibit the Company from making at its expense greater extensions to its distribution mains or the granting of more favorable and/or different terms in addition to those herein prescribed should its judgement so dictate, provided like extensions are made for other customers or subscribers under similar conditions.</p> <p>29. <u>Municipal Franchise Fees</u></p> <p>As to service within any county, city, town, urban county or other taxing district (herein referred to as the "franchise area") with respect to which the Company is required to pay to the county, city, town, urban county or other taxing district franchise fees or other payments made in consideration for the Company's use of public streets, properties and rights-of-way located within the applicable franchise area (herein collectively referred to as "franchise fees") based in any manner on a percentage of the amount of revenues received by the Company from service in such area, such franchise fees shall be recovered from the customers receiving service in that franchise area in accordance with provisions of this Section 29.</p> <p>The charge to customers for the franchise fees shall be determined by multiplying the applicable franchise fee percentage times the customer's bill as otherwise determined under the Company's applicable tariff rate. The charge shall be added to each customer billing for all applicable classes of service in the franchise area. The amount of this charge shall be listed as a separate item on each customer's bill, shall show the amount of the charge and shall designate the unit of government to which the payment is due.</p>

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ATMOS ENERGY CORPORATION

Rules and Regulations
<p>31. <u>Municipal Franchise Fees</u> (T)</p> <p>As to service within any county, city, town, urban county or other taxing district (herein referred to as the "franchise area") with respect to which the Company is required to pay to the county, city, town, urban county or other taxing district franchise fees or other payments made in consideration for the Company's use of public streets, properties and rights-of-way located within the applicable franchise area (herein collectively referred to as "franchise fees") based in any manner on a percentage of the amount of revenues received by the Company from service in such area, such franchise fees shall be recovered from the customers receiving service in that franchise area in accordance with provisions of this Section 31.</p> <p>The charge to customers for the franchise fees shall be determined by multiplying the applicable franchise fee percentage times the customer's bill as otherwise determined under the Company's applicable tariff rate. The charge shall be added to each customer billing for all applicable classes of service in the franchise area. The amount of this charge shall be listed as a separate item on each customer's bill, shall show the amount of the charge and shall designate the unit of government to which the payment is due.</p> <p>32. <u>Continuous or Uniform Service</u> (T)</p> <p>The Company will endeavor to supply gas continuously and without interruption, however, the Company shall not be responsible in damages or otherwise for any failure to supply gas or for any interruptions of the supply when such a failure is without willful fault or neglect on its part.</p> <p>The Company cannot and does not guarantee either a sufficient or an adequate supply, or uniform pressure of the gas supplied. The Company shall not be liable for any damage or loss resulting from inadequate or interrupted supply or from any pressure variations when such conditions are not due to willful fault or neglect on its part.</p>

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ATMOS ENERGY CORPORATION

Rules and Regulations
<p>30. <u>Continuous or Uniform Service</u></p> <p>The Company will endeavor to supply gas continuously and without interruption, however, the Company shall not be responsible in damages or otherwise for any failure to supply gas or for any interruptions of the supply when such a failure is without willful fault or neglect on its part.</p> <p>The Company cannot and does not guarantee either a sufficient or an adequate supply, or uniform pressure of the gas supplied. The Company shall not be liable for any damage or loss resulting from inadequate or interrupted supply or from any pressure variations when such conditions are not due to willful fault or neglect on its part.</p>
<p>31. <u>Measurement Base</u></p> <p>The rates of the Company are based upon gas delivered to the customer on a basis of four (4) ounces per square inch above an assumed atmospheric pressure of fourteen and four tenths (14.4) pounds per square inch, or fourteen and sixty-five hundredths (14.65) pounds per square inch absolute pressure, at an assumed temperature of sixty (60) degrees Fahrenheit. However, the Company reserves the right to correct as necessary the actual temperature to sixty (60) degrees Fahrenheit basis. All gas measured at pressures higher than the standard pressure for low pressure distribution systems shall be corrected to a pressure base of fourteen and sixty-five hundredths (14.65) pounds per square inch absolute.</p>
<p>32. <u>Character of Service</u></p> <p>The Company will normally supply natural gas having a heating value of approximately one thousand (1,000) Btu per cubic foot and specific gravity of approximately six tenths (0.6). However, when it is necessary to supplement the supply of natural gas the Company reserves the right, at its discretion, to supply an interchangeable mixture of vaporized liquefied petroleum gas and air, or a combination of same with natural gas.</p>

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ATMOS ENERGY CORPORATION

Rules and Regulations
<p>33. <u>Measurement Base</u></p> <p>The rates of the Company are based upon gas delivered to the customer on a basis of four (4) ounces per square inch above an assumed atmospheric pressure of fourteen and four tenths (14.4) pounds per square inch, or fourteen and sixty-five hundredths (14.65) pounds per square inch absolute pressure, at an assumed temperature of sixty (60) degrees Fahrenheit. However, the Company reserves the right to correct as necessary the actual temperature to sixty (60) degrees Fahrenheit basis. All gas measured at pressures higher than the standard pressure for low pressure distribution systems shall be corrected to a pressure base of fourteen and sixty-five hundredths (14.65) pounds per square inch absolute.</p>
<p>34. <u>Character of Service</u></p> <p>The Company will normally supply natural gas having a heating value of approximately one thousand (1,000) Btu per cubic foot and specific gravity of approximately six tenths (0.6). However, when it is necessary to supplement the supply of natural gas the Company reserves the right, at its discretion, to supply an interchangeable mixture of vaporized liquefied petroleum gas and air, or a combination of same with natural gas.</p>
<p>35. <u>Curtailment Order</u></p> <p>In cases of impairment of gas supply or distribution system capacity, or partial or total interruptions and when it appears that the Company is, or will be, unable to supply the requirements of all of its customers in any system or segment thereof, the Company shall curtail gas service to its customers in the manner set forth below.</p> <p>a) Definitions:</p> <p>Residential - Service to customers for residential purposes including housing complexes and apartments.</p> <p>Commercial - Service to customers engaged primarily in the sale of goods or services including institutions and local and federal agencies for uses other than those involving manufacturing.</p> <p>Industrial - Service to customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product, including the generation of electric power for sale.</p>

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FOR ENTIRE SERVICE AREA
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Original SHEET No. 95

ATMOS ENERGY CORPORATION

Rules and Regulations	
a)	<p>Priorities of Curtailment:</p> <p><u>Sales Service</u></p> <p>The Company may curtail or discontinue sales service in whole or in part on a daily, monthly or seasonal basis in any purchase zone in accordance with the following priorities, starting with Priority 8 and proceeding in descending numerical order.</p> <p><u>High Priority</u></p> <p>Priority 1. Residential and services essential to the public health where no alternate fuel exists (Rate G-1)</p> <p>Priority 2. Small commercials less than 50 Mcf per day (Rate G-1).</p> <p>Priority 3. Large commercials over 50 Mcf per day not included under lower priorities (Rates G-1, LVS-1)</p> <p>Priority 4. Industrials served under Rate G-1 or LVS-1.</p> <p><u>Low Priority</u></p> <p>Priority 5. Customers served under Rates G-2 or LVS-2 other than boilers included in Priority 6.</p> <p>Priority 6. Boiler loads shall be curtailed in the following order (Rates G-2 or LVS-2).</p> <p>A – Boilers over 3,000 Mcf per day. B – Boilers between 1,500 Mcf and 3,000 Mcf per day. C – Boilers between 300 Mcf and 1,500 Mcf per day.</p> <p>Priority 7. Imbalance sales service under Rate T-3 and Rate T-4.</p> <p>Priority 8. Flex sales transactions.</p>

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ATMOS ENERGY CORPORATION

Rules and Regulations	
	<p>The Company and a customer may agree, by contract, to a lower curtailment priority than would otherwise apply under the foregoing curtailment sequence.</p> <p>If the gas supply is inadequate to fulfill only the partial requirements of a priority category then curtailment to customers in that category will be administered on a continuing basis.</p> <p><u>Transportation Service</u></p> <p>Transportation services will be curtailed under the following conditions:</p> <ol style="list-style-type: none">1 – Due to capacity constraints on the Company's system.2 – Due to capacity constraints on the transporter's system.3 – During temporary gas supply emergency on the Company's system.4 – When the Company is unable to confirm that the customer's gas supply is actually being delivered to the system.

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Rules and Regulations
<p>The Company and a customer may agree, by contract, to a lower curtailment priority than would otherwise apply under the foregoing curtailment sequence.</p> <p>If the gas supply is inadequate to fulfill only the partial requirements of a priority category then curtailment to customers in that category will be administered on a continuing basis.</p> <p><u>Transportation Service</u></p> <p>Transportation services will be curtailed under the following conditions:</p> <ol style="list-style-type: none">1 - Due to capacity constraints on the Company's system.2 - Due to capacity constraints on the transporter's system.3 - During temporary gas supply emergency on the Company's system.4 - When the Company is unable to confirm that the customer's gas supply is actually being delivered to the system.

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ATMOS ENERGY CORPORATION

Rules and Regulations
<p>a) Penalty for Unauthorized Overruns</p> <p>In the event a customer fails in part or in whole to comply with a Company Curtailment Order either as to time or volume of gas used or uses a greater quantity of gas than its allowed volume under terms of the Curtailment Order, the Company may, at its sole discretion, apply a penalty rate of up to \$15.00 per Mcf.</p> <p>In addition to other tariff penalty provisions, the customer shall be responsible for any penalty(s) assessed by the interstate pipeline(s) or suppliers resulting from the customer's failure to comply with terms of a Company Curtailment Order.</p> <p>The payment of penalty charges shall not be considered as giving any customer the right to take unauthorized volumes of gas, nor shall such penalty charges be considered as a substitute for any other remedy available to the Company.</p> <p>b) Discontinuance of Service</p> <p>The Company shall have the right, after reasonable notice to discontinue the gas supply of any customer that fails to comply with a valid curtailment order.</p>

ISSUED: October 30, 2009

EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354).

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 97

ATMOS ENERGY CORPORATION

Rules and Regulations	
a)	<p>Penalty for Unauthorized Overruns</p> <p>In the event a customer fails in part or in whole to comply with a Company Curtailment Order either as to time or volume of gas used or uses a greater quantity of gas than its allowed volume under terms of the Curtailment Order, the Company may, at its sole discretion, apply a penalty rate of up to \$15.00 per Mcf.</p> <p>In addition to other tariff penalty provisions, the customer shall be responsible for any penalty(s) assessed by the interstate pipeline(s) or suppliers resulting from the customer's failure to comply with terms of a Company Curtailment Order.</p> <p>The payment of penalty charges shall not be considered as giving any customer the right to take unauthorized volumes of gas, nor shall such penalty charges be considered as a substitute for any other remedy available to the Company.</p>
b)	<p>Discontinuance of Service</p> <p>The Company shall have the right, after reasonable notice to discontinue the gas supply of any customer that fails to comply with a valid curtailment order.</p>

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999)

ISSUED BY: William J. Senter Vice President - Rates & Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
First Revised SHEET No. 97
Canceling
Original SHEET No. 97

ATMOS ENERGY CORPORATION

Rules and Regulations	
36.	<p>General Rules</p> <p>No agent, representative or employee of the Company has the authority to make any promise, agreement or representative, not incorporated in or provided for by the Rules and Regulations of the Public Service Commission of Kentucky or of this Company. Neither, has any agent, representative or employee of the Company any right or power to amend, modify, alter or waive any of the said Rules and Regulations, except as herein provided.</p> <p>The Company reserves the right to amend or modify its Rules and the Regulations or to adopt such additional Rules and Regulations as the Company deems necessary in the proper conduct of its business, subject to the approval of the Public Service Commission of Kentucky.</p> <p>These Rules and Regulations or Terms and Conditions of Service replace and supersede all previous Rules and Regulations or Terms and Conditions under which the Company has previously supplied gas service.</p>

ISSUED: October 30, 2009

EFFECTIVE: December 1, 2009

(Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00354).

ISSUED BY: Mark A. Martin - Vice President of Rates & Regulatory Affairs, Kentucky/Mid-States Division

Present

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 98

ATMOS ENERGY CORPORATION

Rules and Regulations
<p>34. General Rules</p> <p>No agent, representative or employee of the Company has the authority to make any promise, agreement or representative, not incorporated in or provided for by the Rules and Regulations of the Public Service Commission of Kentucky or of this Company. Neither, has any agent, representative or employee of the Company any right or power to amend, modify, alter or waive any of the said Rules and Regulations, except as herein provided.</p> <p>The Company reserves the right to amend or modify its Rules and the Regulations or to adopt such additional Rules and Regulations as the Company deems necessary in the proper conduct of its business, subject to the approval of the Public Service Commission of Kentucky.</p> <p>These Rules and Regulations or Terms and Conditions of Service replace and supersede all previous Rules and Regulations or Terms and Conditions under which the Company has previously supplied gas service.</p>

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter Vice President – Rates & Regulatory Affairs/Kentucky Division

Proposed

FOR ENTIRE SERVICE AREA
P.S.C. NO. 1
Original SHEET No. 98

ATMOS ENERGY CORPORATION

Rules and Regulations
<p>34. General Rules</p> <p>No agent, representative or employee of the Company has the authority to make any promise, agreement or representative, not incorporated in or provided for by the Rules and Regulations of the Public Service Commission of Kentucky or of this Company. Neither, has any agent, representative or employee of the Company any right or power to amend, modify, alter or waive any of the said Rules and Regulations, except as herein provided.</p> <p>The Company reserves the right to amend or modify its Rules and the Regulations or to adopt such additional Rules and Regulations as the Company deems necessary in the proper conduct of its business, subject to the approval of the Public Service Commission of Kentucky.</p> <p>These Rules and Regulations or Terms and Conditions of Service replace and supersede all previous Rules and Regulations or Terms and Conditions under which the Company has previously supplied gas service.</p>

ISSUED: August 9, 2002

EFFECTIVE: October 1, 2002

ISSUED BY: William J. Senter Vice President – Rates & Regulatory Affairs/Kentucky Division

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(1)(b)9

Description of Filing Requirement:

A statement that customer notice has been given in compliance with subsections (3) and (4) of this section with a copy of the notice.

Response:

The customer notice has been prepared in compliance with FR 10(3) and (4) and a copy is attached to FR 10(3).

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(2)

Description of Filing Requirement:

Notice of intent. Utilities with gross annual revenues greater than \$1,000,000 shall file with the commission a written notice of intent to file a rate application at least four (4) weeks prior to filing their application. The notice of intent shall state whether the rate application will be supported by a historical test period or a fully forecasted test period. This notice shall be served upon the Attorney General, Utility Intervention and Rate Division.

Response:

The Notice of Intent was filed with the Commission on September 1, 2009 and a copy is attached hereto.

JOHN N. HUGHES
ATTORNEY AT LAW
PROFESSIONAL SERVICE CORPORATION
124 WEST TODD STREET
FRANKFORT, KENTUCKY 40601

TELEPHONE: (502) 227-7270

[NHUGHES@psvb.net

TELEFAX (502) 875-7059

September 1, 2009

RECEIVED

SEP 01 2009

PUBLIC SERVICE
COMMISSION

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

Re: Atmos Energy Corporation

Dear Mr. Derouen:

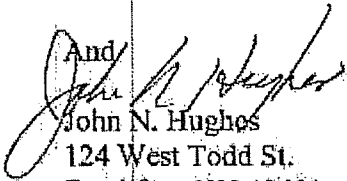
Atmos Energy Corporation gives notice that it intends to file a general rate case based on a future test year on or shortly after October 1, 2009. A copy of this notice has been mailed to the Attorney General's Office of Rate Intervention.

Submitted By:

Douglas Walther
Atmos Energy Corporation
Box 650205
Dallas, TX 75235-0205

Mark R. Hutchinson
Wilson, Hutchinson and Poteat
611 Frederica St.
Owensboro, KY 42301

And


John N. Hughes
124 West Todd St.
Frankfort, KY 40601
Attorneys for Atmos Energy Corporation

Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements

FR 10(3)(a)-(h)

Description of Filing Requirement:

Form of notice to customers. Every utility filing an application pursuant to this section shall notify all affected customers in the manner prescribed herein. The notice shall include the following information:

- a. The amount of the change requested in both dollar amounts and percentage change for each customer classification to which the proposed rate change will apply;
- b. The present rates and the proposed rates for each customer class to which the proposed rates would apply;
- c. Electric, gas, water and sewer utilities shall include the effect upon the average bill for each customer class to which the proposed rate change will apply;
- e. A statement that the rates contained in this notice are the rates proposed by (name of utility); however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice;
- f. A statement that any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes request to intervene; intervention may be granted beyond the thirty (30) day period for good cause shown;
- g. A statement that any person who has been granted intervention by the commission may obtain copies of the rate application and any other filings made by the utility by contacting the utility through a name and address and phone number stated in this notice;
- h. A statement that any person may examine the rate application and any other filings made by the utility at the main office of the utility or at the commission's office indicating the addresses and telephone numbers of both the utility and the commission; and

Response:

The notice to customers has been prepared in compliance with the applicable sections of FR 10(3) and a copy is attached hereto.

NOTICE

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

Notice is hereby given that Atmos Energy Corporation ("Atmos Energy"), a public utility furnishing natural gas service within the Commonwealth of Kentucky, on/or about the 27th day of October 2009, pursuant to Kentucky Revised Statute 278.180 and the Rules of the Public Service Commission of Kentucky, respecting tariffs, filed its notice to the Kentucky Public Service Commission ("KPSC"), proposing to change its gas rates effective December 1, 2009.

The present and proposed rates charged in all territory served by Atmos Energy are as follows:

Rate Classifications	Present Rates (Effective November 1, 2009)		Proposed Rates		Rate Change Increase / (Decrease)	
	Charge	Unit	Charge	Unit	\$ Change	% Change
Rate G-1, General Sales Service						
<u>Residential Service</u>						
Monthly Base Charge:	\$9.35	Per meter	\$13.50	Per meter	\$4.15	44.39%
Commodity Charge						
First 300 Mcf or less per month	\$6.1857	Per/Mcf ¹	\$6.1957	Per/Mcf ¹	\$0.0100	0.16%
Next 14,700 Mcf per month	\$5.7487	Per/Mcf	\$5.7672	Per/Mcf	\$0.0185	0.32%
Over 15,000 Mcf per month*	\$5.4665	Per/Mcf	\$5.4984	Per/Mcf	\$0.0319	0.58%
Minimum Charge: The Base Charge						
<u>Non-Residential Service</u>						
Monthly Base Charge:	\$25.00	Per meter	\$30.00	Per meter	\$5.00	20.0%
Commodity Charge						
First 300 Mcf or less per month	\$6.1857	Per/Mcf	\$6.1957	Per/Mcf	\$0.0100	0.16%
Next 14,700 Mcf per month	\$5.7487	Per/Mcf	\$5.7672	Per/Mcf	\$0.0185	0.32%
Over 15,000 Mcf per month*	\$5.4665	Per/Mcf	\$5.4984	Per/Mcf	\$0.0319	0.58%
Minimum Charge: The Base Charge						
Rate G-2, Interruptible Sales Service						
Monthly Base Charge:	\$250.00	Per delivery point	\$300.00	Per delivery point	\$50.00	20.0%
Commodity Charge						
First 15,000 Mcf or less per month	\$4.6831	Per/Mcf	\$4.7331	Per/Mcf	\$0.0500	1.06%
Over 15,000 Mcf per month	\$4.4631	Per/Mcf	\$4.4931	Per/Mcf	\$0.0300	0.67%
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:						
Meter Charge	\$250.00	Per meter	\$300.00	Per meter	\$50.00	20.0%
Administrative Charge	\$50.00		\$50.00		\$0.00	0.0%
Commodity Charge						
First 15,000 Mcf or less per month	\$0.6000	Per Mcf	\$0.6500	Per Mcf	\$0.0500	8.33%
Over 15,000 Mcf per month	\$0.3800	Per Mcf	\$0.4100	Per Mcf	\$0.0300	7.89%

Rate T-4, Firm Transportation Service						
Transportation only service						
Monthly Base Charge:						
Meter Charge	\$250.00	Per meter	\$300.00	Per meter	\$50.00	20.0%
Administrative Charge	\$50.00		\$50.00		\$0.00	0.0%
Commodity Charge						
First 300 Mcf or less per month	\$1.1900	Per Mcf	\$1.2000	Per Mcf	\$0.0100	0.84%
Next 14,700 Mcf per month	\$0.7530	Per Mcf	\$0.7715	Per Mcf	\$0.0185	2.46%
Over 15,000 Mcf per month*	\$0.4708	Per Mcf	\$0.5027	Per Mcf	\$0.0319	6.78%
Special Charges						
Turn on new service with meter set	\$34.00		\$34.00		\$0.00	0.0%
Turn on service, shut in test required	\$23.00		\$23.00		\$0.00	0.0%
Turn on service, meter read only required						
Reconnect delinquent service	\$39.00		\$39.00		\$0.00	0.0%
Reconnect service off temporarily at customer request						
Termination or field collection charge						
Meter test charge	\$20.00		\$20.00		\$0.00	0.0%
Optional facilities for Electronic Flow Measurement						
Class 1 EFM	\$75.00		\$75.00		\$0.00	0.0%
Class 2 EFM	\$175.00		\$175.00		\$0.00	0.0%
Seasonal Charge	\$65.00		\$65.00		\$0.00	0.0%
Returned Check charge	\$25.00		\$25.00		\$0.00	0.0%
Late payment charge (G-1 only)	5%		5%		\$0.00	0.0%
Read meter	12.00		12.00		\$0.00	0.0%
Special meter reading charge	No charge		No charge			
¹ Mcf = 1,000 cubic feet						

Miscellaneous Tariff Changes

Recovery of Gas Costs in Uncollectible Accounts through the Gas Cost Adjustment (GCA)

Atmos proposes to shift the recovery of gas costs in uncollectible accounts from its base rates to the GCA. This change will have no effect upon the overall level of costs to be recovered. Non-gas costs in uncollectible accounts will continue to be recovered through Atmos' base rates.

Pipe Replacement Program (PRP) Rider

Atmos proposes a formal Pipe Replacement Program (PRP) by establishing a PRP Rider. The PRP rider would provide for a surcharge to collect the replacement of bare steel pipe and associated services for a prospective twelve-month period. The PRP would also include a balancing adjustment to insure that Atmos does not collect too much or too little of the authorized amount. The proposed PRP rider is allowed under KRS 278.509 and is designed to accelerate the replacement of an aging infrastructure and to enhance a safe and reliable system. Atmos' proposal would also include the transfer of ownership of customer owned service lines from the customer to Atmos with the installation of new and the replacement of existing services lines that run from the property line to the meter.

Transportation Service

Atmos proposes to delete service classes T-1 and T-2. Currently, no customers are served under these classifications. The Company proposes to continue T-3 and T-4 service.

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 \$9,486,033 or 4.8% with increases of approximately \$7,681,474 or 6.6% for residential consumers, and \$1,204,724 or 1.9% for commercial consumers, and approximately \$522,551 or 3.2% for industrial consumers. Charges from other gas revenue will increase \$77,283 or 3.3%. The average monthly bill for residential consumers will increase approximately \$4.20 or 6.6%. The average monthly bill for commercial consumers will increase approximately \$5.30 or 1.9%. The average monthly bill for industrial customers will increase approximately \$105.35 or 3.2%. 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 other than the rates included in this notice.

Any corporation, association, or person with a substantial interest in this matter may, by written request to the KPSC, within thirty (30) days after publication or mailing of this notice of the proposed rate changes, request to intervene; intervention may be granted beyond the thirty (30) day period for good cause shown. Requests to intervene should set forth the grounds for the request including the status and interest of the party and be submitted to the KPSC at the address listed below.

Any person who has been granted intervention by the Commission may obtain copies of the rate application and any other filings made by the utility by contacting:

Atmos Energy Corporation
Attention: Mr. Mark A. Martin
3275 Highland Pointe Drive
Owensboro, KY 42303
(270) 685-8024

Any person may examine the rate application and any related filings at the office of Atmos Energy or the Commission, as listed below:

Atmos Energy Corporation
3275 Highland Pointe Drive
Owensboro, KY 42303
(270) 685-8000

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

Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements

FR 10(4)(c3)(d)&(f)

Description of Filing Requirement:

Manner of notification.

- c. 3. Publishing the notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in the utility's service area, the first publication to be made within seven (7) days of the filing of the application with the commission.
- d. If the notice is published, an affidavit from the publisher verifying the notice was published, including the dates of the publication with an attached copy of the published notice, shall be filed with the commission no later than forty-five (45) days of the filed date of the application.
- f. All utilities, in addition to the above notification, shall post a sample copy of the required notification at their place of business no later than the date on which the application is filed which shall remain posted until the commission has finally determined the utility's rates.

Response:

For a copy of the notice see FR 10(3). Affidavits from the publishers will be furnished the commission within 45 days of submission of the application. A sample of the notice will be posted upon filing of the application at all of Atmos' public office locations in Kentucky.

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(5)

Description of Filing Requirement:

Notice of hearing scheduled by the commission upon application by a utility for a general adjustment in rates shall be advertised by the utility by newspaper publication in the areas that will be affected in compliance with KRS 424.300.

Response:

Atmos will publish the notice of hearing(s) in newspaper(s) within our service area scheduled by the commission in compliance with KRS 424.300 upon notification of said hearing by the commission.

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(8)(a)

Description of Filing Requirement:

Financial data for forecasted period presented as pro forma adjustments to base period.

Response:

Please see filing requirement FR 10(10)(d)

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(8)(b)

Description of Filing Requirement:

Forecasted adjustments shall be limited to the 12 months immediately following the suspension period.

Response:

Requirement satisfied throughout filing.

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(8)(c)

Description of Filing Requirement:

Capitalization and net investment rate base shall be based on a 13 month average for the forecasted period.

Response:

The capitalization and net investment rate base included in the filing are based on a 13 month average for the forecasted period.

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(8)(f)

Description of Filing Requirement:

The utility shall provide a reconciliation of the rate base and capital used to determine its revenue requirements.

Response:

Please see attached and Mr. Felan's testimony.

Atmos Energy Corporation, KY
Case No. 2009-00354
Reconciliation of Forecasted Test Year Rate Base to Kentucky Capital
Forecasted test year ended March 31, 2011

Schedule FR 10(8)(f)

Line No.	Description	Test Period Rate Base as filed 13 mo avg	Rate Base March 31, 2011	Adj from 13 month average	Adj due to rate base methodology	March 31, 2011 Balance Sheet
1	Gross Plant	358,380,789	366,682,755	8,301,966	2,391,946	369,074,701
2	Accumulated Deprec.	(159,224,051)	(163,563,748)	(4,339,698)	-	(163,563,748)
3	CWIP	4,976,625	4,976,625	-	-	4,976,625
4						
5	Cash Working Capital	2,801,184	2,801,184	-	(2,801,184)	-
6	Materials & Supplies	903,779	887,241	(16,539)	-	887,241
7	Storage Gas	11,235,428	(9,731,235)	(20,966,663)	-	(9,731,235)
8	Prepayments	743,825	646,116	(97,709)	-	646,116
9						
10	Customer Advances	(1,840,991)	(2,681,210)	(840,219)	-	(2,681,210)
11	Deferred inc. tax	(33,300,508)	(34,107,922)	(807,415)	9,037,375	(25,070,548)
12						
13	Rate Base	<u>184,676,081</u>	<u>165,909,805</u>	<u>(18,766,276)</u>	<u>8,628,137</u>	<u>174,537,942</u>
14						
15	Assets not in Rate Base					
16	Cash & temporary investments					383,457
17	Gas plant acquisition					1,452,559
18	Account receivable					5,536,425
19	Other current assets (except prepaids)					207,978
20	Deferred debits					13,682,203
21	Liabilities & Deferrals not in Rate Base					
22	Current Liabilities (excl. Notes Payable)					(19,802,705)
23	Deferred Credits (excl. Customer Advances)					-
24						
25	Total Capitalization (net of intercompany balances)					<u>175,997,859</u>

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(9)(b)

Description of Filing Requirement:

Most recent capital construction budget containing at minimum 3 year forecast of construction expenditures.

Response:

See attached capital budget for Atmos Energy Kentucky for Fiscal Years 2010, 2011, 2012, 2013 and 2014.

Atmos Energy Corporation, KY
Capital Budget Forecast and Test Year Calculation

Line #	Acct #	Fiscal Year 2010	Fiscal Year 2011	Test Year April 2010 Through March 2011			Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014
				FY2010 Part	FY2011 Part	Test Year			
1	36701-Mains - Steel	6,422,862	5,082,595	4,110,191	2,428,308	6,538,499	5,336,725	5,603,561	5,883,739
2	37600-Mains - Cathodic Protection	321,712	254,580	205,873	121,630	327,504	267,309	280,674	294,708
3	37601-Mains - Steel	2,643,925	2,092,214	1,691,930	999,594	2,691,524	2,196,824	2,306,666	2,421,999
4	37602-Mains - Plastic	1,523,106	1,205,277	974,683	575,844	1,550,527	1,265,541	1,328,818	1,395,259
5	37800-Meas. & Reg. Sta. Eq-General	(124,087)	(98,194)	(79,407)	(46,914)	(126,321)	(103,103)	(108,258)	(113,671)
6	37900-Meas. & Reg. - City Gate	7,254	5,740	4,642	2,742	7,384	6,027	6,328	6,645
7	38000-Services	4,708,413	3,725,903	3,013,061	1,780,120	4,793,181	3,912,198	4,107,808	4,313,198
8	38100-Meters	1,195,711	946,201	765,173	452,065	1,217,238	993,511	1,043,186	1,095,346
9	38200-Meter Installations	3,904,335	3,089,613	2,498,506	1,476,121	3,974,626	3,244,093	3,406,298	3,576,613
10	38300-House Regulators	214,122	169,441	137,024	80,954	217,977	177,913	186,809	196,149
11	38500-Ind. Meas. & Reg. Sta. Equip	12,513	9,902	8,007	4,731	12,738	10,397	10,917	11,462
12	39000-Structures & Improvements	239,791	189,753	153,450	90,658	244,108	199,241	209,203	219,663
13	39100-Office Furniture & Equipment	1,483,581	1,174,001	949,390	560,901	1,510,291	1,232,701	1,294,336	1,359,052
14	39400-Tools, Shop, & Garage Equip.	93,994	74,380	60,150	35,536	95,686	78,099	82,004	86,104
15	39800-Miscellaneous Equipment	69,261	54,808	44,322	26,186	70,508	57,549	60,426	63,448
16	Total Atmos Energy Corporation, KY	\$ 22,716,492	\$ 17,976,214	\$ 14,536,994	\$ 8,588,477	\$ 23,125,471	\$ 18,875,024	\$ 19,818,776	\$ 20,809,714

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By Category	Fiscal Year 2010	Fiscal Year 2011	Test Year April 2010 Through March 2011			Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014
			FY2010 Part	FY2011 Part	Test Year			
Equipment	253,672	266,356	185,774	109,755	295,529	279,673	293,657	308,340
Growth	2,707,695	2,843,080	1,982,949	1,171,529	3,154,479	2,985,234	3,134,495	3,291,220
Information Technology	173,739	182,426	127,236	75,171	202,407	191,547	201,125	211,181
Pipeline Integrity	-	-	-	-	-	-	-	-
Public Improvements	86,049	90,351	63,017	37,231	100,248	94,869	99,612	104,593
Structures	64,992	68,242	47,596	28,120	75,716	71,654	75,236	78,998
System Improvements	6,316,408	756,125	2,526,580	1,492,707	4,019,287	793,931	833,628	875,309
System Integrity	13,113,923	13,769,620	9,603,832	5,673,958	15,277,790	14,458,100	15,181,006	15,940,055
Vehicles	14	15	10	6	16	15	16	17
Total Atmos Energy Corporation, KY	\$ 22,716,492	\$ 17,976,214	\$ 14,536,994	\$ 8,588,477	\$ 23,125,471	\$ 18,875,024	\$ 19,818,776	\$ 20,809,714

FR 10(9)(b)

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(9)(c)

Description of Filing Requirement:

Complete description, which may be in pre-filed testimony form, of all factors used to prepare forecast period. All econometric models, variables, assumptions, escalation factors, contingency provisions, and changes in activity levels shall be quantified, explained, and properly supported.

Response:

See pre-filed testimony of Mr. Waller, Mr. Napier and Mr. Smith.

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(9)(d)

Description of Filing Requirement:

Annual and monthly budget for the 12 months preceding filing date, base period and forecasted period.

Response:

See response to 10(9)(n) and 10(10)(c)

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(9)(e)

Description of Filing Requirement:

Attestation signed by utility's chief officer in charge of Kentucky operations providing:

1. That forecast is reasonable, reliable, made in good faith and that all basic assumptions used have been identified and justified; and
2. That forecast contains same assumptions and methodologies used in forecast prepared for use by management, or an identification and explanation for any differences; and
3. That productivity and efficiency gains are included in the forecast.

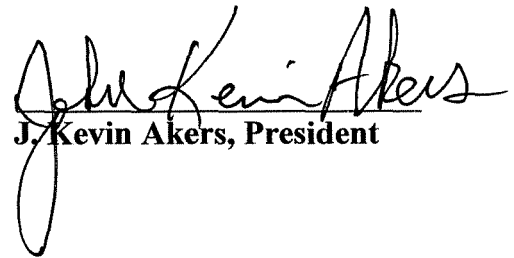
Response:

See the attached notarized attestation signed by J. Kevin Akers, President - Officer in Charge of Kentucky Operations of Atmos Energy.

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

**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 forecast 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 gains have been included in the forecast.

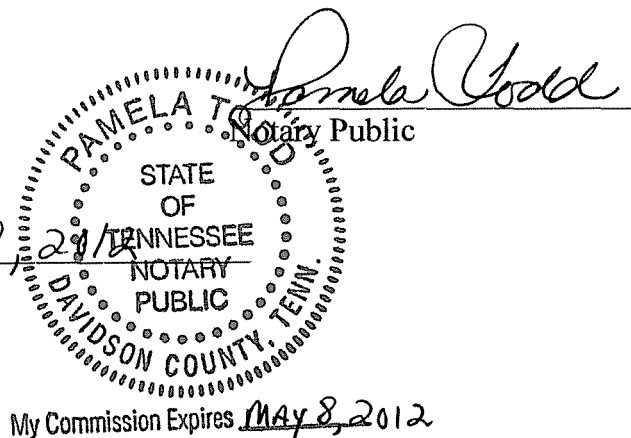

J. Kevin Akers, President

**STATE OF TENNESSEE)
COUNTY OF WILLIAMSON)**

SUBSCRIBED AND SWORN TO before me by Kevin Akers, on this 22nd day of October, 2009.

MY Commission expires:

MAY 8, 2012


PAMELA TODD
Notary Public
STATE OF TENNESSEE
NOTARY PUBLIC
DAVIDSON COUNTY, TENN.
My Commission Expires MAY 8, 2012

**Atmos Energy Corp.; Kentucky/Mid-States Division
 Kentucky Jurisdiction Case No. 2009-00354
 Forecasted Test Period Filing Requirements**

FR 10(9)(f)

Description of Filing Requirement:

For each major construction project constituting 5% or more of annual construction budget within 3 year forecast, following information shall be filed:

1. Date project began or estimated starting date;
2. Estimated completion date;
3. Total estimated cost of construction by year exclusive and inclusive of Allowance for Funds Used During Construction ("AFUDC") or Interest During Construction Credit; and
4. Most recent available total costs incurred exclusive and inclusive of AFUDC or Interest During Construction Credit;

Response:

There are only two capital projects which will constitute more than 5% of annual spending. One is the replacement of the Hopkinsville 10 inch steel Transmission Pipeline. The details of this multi year project are below. The costs are estimated below and are exclusive of AFUDC. AFUDC is approximately \$19K per year for each of the three years listed.

Hopkinsville 10" Transmission Replacement				
Fiscal Year	Proposed Replacement (Miles)	Estimated Start Date	Estimated End Date	Estimated Construction Cost
2010	1.5	Apr-10	Sep-10	\$1.33 Million
2011	1.5	Oct-10	Dec-10	\$1.40 Million
2012	1.5	Apr-12	Sep-12	\$1.47 Million

The other capital project that will constitute more than 5% of annual spending is the Bowling Green System Improvement Project. This project will involve the installation of 3.4 miles of 8" steel pipeline to reinforce the Bowling Green system east of Interstate 65. The costs are estimated below and are exclusive of AFUDC. AFUDC is approximately \$64,000 for the project.

Bowling Green System Improvement				
Fiscal Year	Proposed Installation (Miles)	Estimated Start Date	Estimated End Date	Estimated Construction Cost
2010	3.4	Nov-09	Jul-10	\$5.6 Million

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(9)(g)

Description of Filing Requirement:

For all construction projects constituting less than 5% of annual construction budget within 3 year forecast, file aggregate of information requested in paragraph (f) 3 and 4 of this subsection.

Response:

See the attached response to FR 10(9)(b).

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(9)(h)1

Description of Filing Requirement:

Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information:

1. Operating income statement (exclusive of dividends per share or earnings per share);

Response:

The forecast Operating Income Statements for four fiscal years (2011-2014) is provided in Exhibit FR 10(10)(i)1. For further information concerning O&M forecasts, please refer to the testimony of Mr. Greg Waller and concerning revenue forecasts, please refer to the testimony of Mr. Gary Smith.

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(9)(h)2

Description of Filing Requirement:

Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information:

2. Balance sheet;

Response:

See the attached schedule.

Atmos Energy Corporation
Fully Allocated Balance Sheet
Kentucky
(000)

FR 10 (9)(h)2

					Base	Test			
	2005	2006	2007	2008	12/31/09	3/31/11	2011	2012	2013
ASSETS									
Property, Plant, & Equipment:									
Utility Plant In Service	289,989	303,797	321,987	334,280	349,251	372,505	385,687	413,381	442,474
Non-Utility Plant	11	137	2,422	2,456	2,392	2,392	2,392	2,392	2,392
Construction Work In Progress	3,990	3,617	2,618	4,636	4,977	4,977	4,977	4,977	4,977
Accumulated Depreciation	(126,781)	(133,581)	(142,444)	(149,290)	(157,276)	(167,934)	(175,102)	(190,531)	(207,164)
Net Plant	167,209	173,970	184,583	192,082	199,344	211,940	217,953	230,219	242,678
Current Assets:									
Cash & Temporary Cash Investments	521	428	989	613	383	383	383	383	383
Account Receivable, less Allowance for									
Doubtful Accounts	29,788	3,920	3,643	5,747	5,536	5,536	5,536	5,536	5,536
Inventories	63	9	833	865	893	887	887	887	887
Gas Stored Underground	37,374	41,815	47,289	66,050	31,324	(9,731)	26,771	26,771	26,771
Other Current Assets	(229)	(54)	207	278	854	854	854	854	854
Total Current Assets	67,516	46,118	52,960	73,553	38,990	(2,070)	34,432	34,432	34,432
Def'd Charges & Other Assets	10,415	10,082	11,025	24,524	13,682	13,682	13,682	13,682	13,682
TOTAL ASSETS	245,140	230,171	248,569	290,159	252,016	223,552	266,067	278,333	290,792

**Atmos Energy Corporation
Fully Allocated Balance Sheet
Kentucky
(000)**

FR 10 (9)(h)2

					Base	Test			
	2005	2006	2007	2008	12/31/09	3/31/11	2011	2012	2013
<u>LIABILITIES & SHAREHOLDERS' EQUITY</u>									
Kentucky Division capital account - net	160,900	165,503	175,201	203,792	177,848	160,047	200,819	209,606	218,591
Current Liabilities:									
Accounts Payable	16,673	11,154	4,483	4,935	1,868	1,868	1,868	1,868	1,868
Accrued Taxes	965	(1,462)	(1,182)	245	1,897	1,897	1,897	1,897	1,897
Customers' Deposits	3,884	4,981	4,670	3,932	3,706	3,706	3,706	3,706	3,706
Other Current Liabilities	21,345	11,594	20,387	27,236	12,332	12,332	12,332	12,332	12,332
Total Current Liabilities	<u>42,868</u>	<u>26,268</u>	<u>28,358</u>	<u>36,347</u>	<u>19,803</u>	<u>19,803</u>	<u>19,803</u>	<u>19,803</u>	<u>19,803</u>
Deferred Income Taxes	31,409	28,271	29,184	34,107	35,753	25,071	26,814	30,293	33,766
Def'd Cr. and Other Liabilities	9,963	10,128	15,826	15,912	18,613	18,632	18,632	18,632	18,632
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	<u>245,140</u>	<u>230,171</u>	<u>248,569</u>	<u>290,159</u>	<u>252,016</u>	<u>223,552</u>	<u>266,067</u>	<u>278,333</u>	<u>290,792</u>
<i>(assets less liabilities & equity)</i>	-	-	-	-	-	-	-	-	-

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(9)(h)3

Description of Filing Requirement:

Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information:

3. Statement of cash flows;

Response:

See the attached schedule.

Atmos Energy Corporation
Fully Allocated Cash Flow
Kentucky
(000)

FR 10 (9)(h)3

				Base	Test			
	2006	2007	2008	12/31/09	3/31/11	2011	2012	2013
Cash Flow								
Cash Flow from Operations								
Net Income	5,476	6,596	9,440	5,721	5,649	3,846	2,297	541
Add: Deferred income taxes	(3,138)	913	4,924	1,646	(10,682)	1,743	3,479	3,473
Depreciation	6,800	8,863	6,846	7,986	10,658	7,168	15,429	16,634
Cash flow from Operations	9,139	16,372	21,210	15,353	5,625	12,757	21,205	20,648
Effect of Balance Sheet Accounts								
Changes in current assets	21,305	(6,281)	(20,969)	34,333	41,060	(36,502)	-	-
Changes in current liabilities	(16,599)	2,089	7,989	(16,545)	-	-	-	-
Changes in deferred debits	332	(943)	(13,498)	10,841	-	-	-	-
Changes in deferred credits	165	5,697	86	2,701	19	-	-	-
Total Cash Flow from change in Balance Sheet Accounts	5,203	563	(26,391)	31,331	41,079	(36,502)	-	-
Operating Cash Flow	14,342	16,934	(5,182)	46,683	46,704	(23,745)	21,205	20,648
Cash flow from Investing Activities								
Capital Expenditures net of retirements	13,561	19,476	14,345	15,248	23,254	13,182	27,695	29,092
Total Cash from Investments	13,561	19,476	14,345	15,248	23,254	13,182	27,695	29,092
Free Cash Flow	781	(2,542)	(19,526)	31,436	23,450	(36,926)	(6,489)	(8,445)
Cash From Financing								
Total Cash From Financing	(873)	3,103	19,150	(31,666)	(23,450)	36,926	6,489	8,445
Total Increase/(Decr) in Cash	(92)	561	(376)	(230)	0	-	0	0
Beginning Cash	521	428	989	613	383	383	383	383
Ending Cash	428	989	613	383	383	383	383	383

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(9)(h)4

Description of Filing Requirement:

Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information:

4. Revenue requirements necessary to support the forecasted rate of return;

Response:

See response to Filing Requirement FR 10(10)(i).

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(9)(h)5

Description of Filing Requirement:

Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information:

5. Load forecast including energy and demand (electric);

Response:

Not Applicable.

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(9)(h)6

Description of Filing Requirement:

Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information:

6. Access line forecast (telephone);

Response:

Not Applicable.

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(9)(h)7

Description of Filing Requirement:

Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information:

7. Mix of generation (electric);

Response:

Not Applicable.

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(9)(h)8

Description of Filing Requirement:

Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information:

8. Mix of gas supply (gas);

Response:

See the attached schedule FR 10(9)(h)8.

Atmos Energy Corporation
Case No. 2009-00354
MCF SALES FORECAST / SUPPLY REQUIREMENTS - Total Company
For the THREE FORECASTED YEARS, Calendar Years 2011-2014
All Volumes in Mcf at Standard Conditions, or in mmBtu (as noted)

Line No.	Description	2011	2012	2013	2014	Comments
		(a)	(b)	(c)	(d)	(e)
1	Sales Volumes-					
2						
3	Total Sales Volumes (Mcf)-	16,401,267	16,086,390	15,772,683	15,460,170	Reference the Testimony of Mr. Gary L. Smith for underlying assumptions. Also, see Exhibit FR 10(9)(h)15.
4						
5						
6	Total Supply Requirements (Mcf)-	16,401,267	16,086,390	15,772,683	15,460,170	
7						
8	Provision for L&U (Mcf)-	574,044	563,024	552,044	541,106	
9						
10	Total Supply Requirements (mmBtu)-	<u>17,399,693</u>	<u>17,065,649</u>	<u>16,732,845</u>	<u>16,401,308</u>	

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(9)(h)9

Description of Filing Requirement:

Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information:

9. Employee level;

Response:

See Attached.

Atmos Energy Corporation, Kentucky/Mid-States Division
 Kentucky Jurisdiction Case No. 2009-00354
 Payroll Analysis by Employee Classifications/Payroll Distribution/Total Company
 Base Period: Twelve Months Ended December 31, 2009
 Forecasted Test Period: Twelve Months Ended March 31, 2011

Data: Base Period Forecasted Period
 Type of Filing: Original Updated
 Workpaper Reference No(s).

FR 10(9)(h)9
 FR 10(9)(h)10
 Witness: G. Waller

Line No.	Description	Base Period	Forecasted Period	2011	2012	2013
1	Total Labor Dollars (excluding Shared Services and KY/Mid-States General Office)	10,072,356	10,079,494	10,432,277	10,797,406	11,175,315
2	Average Employee Levels (KY Operations Only Div 009)	194	194	194	194	194

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(9)(h)10

Description of Filing Requirement:

Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information:

10. Labor cost changes;

Response:

See FR 10(9)(h) 9

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(9)(h)11

Description of Filing Requirement:

Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information:

11. Capital structure requirements;

Response:

See attached.

ATMOS ENERGY CORPORATION - KENTUCKY

Capital Structure Summary
For the Base Period, Test Period
and Forcasted Years

MFR 10(9)(h)11

	Base Period Dec-08	Base Period Jan-09	Base Period Feb-09	Base Period Mar-09	Base Period Apr-09	Base Period May-09	Base Period Jun-09
Common Stock	457,998	458,272	458,831	459,738	460,202	460,472	461,174
Treasury Stock	-	-	-	-	-	-	-
Common Stock Subscribed	-	-	-	-	-	-	-
Additional Paid-In Capital	1,757,834,445	1,760,154,049	1,762,845,967	1,768,307,754	1,771,269,611	1,774,573,550	1,779,184,887
Retained Earnings	335,834,360	335,834,360	335,834,360	335,834,360	335,834,360	335,834,360	335,834,360
Accum. Other Comprehensive Income	(61,849,026)	(88,829,133)	(82,738,814)	(70,628,385)	(63,814,828)	(47,391,117)	(39,980,693)
Current Year Net Income	75,962,610	132,854,303	167,106,237	204,966,352	209,734,812	210,314,473	206,929,928
Dividends	(30,164,629)	(30,164,629)	(60,447,440)	(60,446,153)	(60,446,153)	(90,830,148)	(90,908,863)
Equity	<u>2,078,075,757</u>	<u>2,110,307,222</u>	<u>2,123,059,140</u>	<u>2,178,493,665</u>	<u>2,193,038,004</u>	<u>2,182,961,589</u>	<u>2,191,520,794</u>
Long-Term debt (including curr maturities)	2,120,426,935	2,120,310,751	2,120,259,632	2,569,366,599	2,169,478,464	2,169,502,000	2,169,525,536
Short Term Notes Payable - daily avg	395,401,179	269,411,925	141,849,000	33,859,677	-	22,581	-
Total Capitalization	<u>4,593,903,871</u>	<u>4,500,029,898</u>	<u>4,385,167,772</u>	<u>4,781,719,942</u>	<u>4,362,516,467</u>	<u>4,352,486,170</u>	<u>4,361,046,329</u>
Total Capitalization, Excl STD	<u>4,198,502,692</u>	<u>4,230,617,973</u>	<u>4,243,318,772</u>	<u>4,747,860,264</u>	<u>4,362,516,467</u>	<u>4,352,463,589</u>	<u>4,361,046,329</u>

	Base Period Jul-09	Base Period Aug-09	Base Period Sep-09	Base Period Oct-09	Base Period Nov-09	Base Period Dec-09	13 month Avg Base
Common Stock	461,469	461,750	462,460	463,091	463,723	464,354	461,041
Treasury Stock	-	-	-	-	-	-	-
Common Stock Subscribed	-	-	-	-	-	-	-
Additional Paid-In Capital	1,781,714,257	1,783,229,227	1,787,060,752	1,790,672,638	1,794,284,523	1,797,896,409	1,777,617,544
Retained Earnings	335,834,360	335,834,360	335,834,360	407,572,594	407,572,594	407,572,594	352,389,337
Accum. Other Comprehensive Income	(36,605,884)	(36,605,884)	(36,605,884)	(36,605,884)	(36,605,884)	(36,605,884)	(51,912,869)
Current Year Net Income	205,300,889	199,210,500	193,120,111	5,745,689	41,039,048	81,138,705	148,724,897
Dividends	(90,906,371)	(121,381,877)	(121,381,877)	-	(31,069,418)	(31,069,418)	(63,016,690)
Equity	<u>2,195,798,721</u>	<u>2,160,748,076</u>	<u>2,158,489,922</u>	<u>2,167,848,128</u>	<u>2,175,684,585</u>	<u>2,219,396,760</u>	<u>2,164,263,259</u>
Long-Term debt (including curr maturities)	2,169,483,696	2,169,507,132	2,169,530,668	2,169,554,204	2,169,577,740	2,169,601,276	2,188,932,656
Short Term Notes Payable - daily avg	13,745,286	25,497,030	6,076,736	39,996,780	113,219,029	105,130,504	62,400,712
Total Capitalization	<u>4,379,027,602</u>	<u>4,355,752,237</u>	<u>4,334,097,325</u>	<u>4,377,399,111</u>	<u>4,458,481,354</u>	<u>4,494,128,539</u>	<u>4,415,596,627</u>
Total Capitalization, Excl STD	<u>4,365,282,316</u>	<u>4,330,255,207</u>	<u>4,328,020,589</u>	<u>4,337,402,332</u>	<u>4,345,262,325</u>	<u>4,388,998,035</u>	<u>4,363,195,915</u>

Equity %	49.7%
LTD %	50.3%
Total	100.0%

ATMOS ENERGY CORPORATION - KENTUCKY

Capital Structure Summary
For the Base Period, Test Period
and Forcasted Years

MFR 10(9)(h)11

	Interim Period	Interim Period
	Jan-10	Feb-10
Common Stock	464,986	465,617
Treasury Stock	-	-
Common Stock Subscribed	-	-
Additional Paid-In Capital	1,801,508,295	1,805,120,180
Retained Earnings	407,572,594	407,572,594
Accum. Other Comprehensive Income	(36,605,884)	(36,605,884)
Current Year Net Income	141,907,000	178,492,862
Dividends	(31,069,418)	(62,265,758)
Equity	<u>2,283,777,572</u>	<u>2,292,779,611</u>
Long-Term debt (Including curr maturities)	2,169,559,335	2,169,582,871
Short Term Notes Payable - daily avg	29,754,585	3,359,013
Total Capitalization	<u>4,483,091,492</u>	<u>4,465,721,495</u>
Total Capitalization, Excl STD	<u>4,453,336,907</u>	<u>4,462,362,482</u>

ATMOS ENERGY CORPORATION - KENTUCKY

Capital Structure Summary
For the Base Period, Test Period
and Forcasted Years

MFR 10(9)(h)11

	Interim Period Mar-10	Test Period Apr-10	Test Period May-10	Test Period Jun-10	Test Period Jul-10	Test Period Aug-10	Test Period Sep-10
Common Stock	466,248	466,880	467,511	468,143	468,774	469,406	470,037
Treasury Stock	-	-	-	-	-	-	-
Common Stock Subscribed	-	-	-	-	-	-	-
Additional Paid-In Capital	1,808,732,066	1,812,343,952	1,815,955,837	1,819,567,723	1,823,179,609	1,826,791,494	1,830,403,380
Retained Earnings	407,572,594	407,572,594	407,572,594	407,572,594	407,572,594	407,572,594	407,572,594
Accum. Other Comprehensive Income	(36,605,884)	(36,605,884)	(36,605,884)	(36,605,884)	(36,605,884)	(36,605,884)	(36,605,884)
Current Year Net Income	218,932,766	224,026,149	224,645,309	221,030,141	219,290,098	212,784,710	206,279,322
Dividends	(62,265,758)	(62,265,758)	(93,589,019)	(93,589,019)	(93,589,019)	(125,039,201)	(125,039,201)
Equity	2,336,832,032	2,345,537,933	2,318,446,348	2,318,443,698	2,320,316,172	2,285,973,119	2,283,080,248
Long-Term debt (including curr maturities)	2,169,606,407	2,169,629,943	2,169,653,479	2,169,677,015	2,169,635,075	2,169,658,611	2,169,682,147
Short Term Notes Payable - daily avg	-	-	-	-	12,850,211	34,132,137	60,243,631
Total Capitalization	4,506,438,440	4,515,167,876	4,488,099,828	4,488,120,713	4,502,801,459	4,489,763,867	4,513,006,026
Total Capitalization, Excl STD	4,506,438,440	4,515,167,876	4,488,099,828	4,488,120,713	4,489,951,247	4,455,631,730	4,452,762,395

	Test Period Oct-10	Test Period Nov-10	Test Period Dec-10	Test Period Jan-11	Test Period Feb-11	Test Period Mar-11	Test Period 13 month avg
Common Stock	451,416	452,066	452,715	453,364	454,013	454,663	461,172
Treasury Stock	-	-	-	-	-	-	-
Common Stock Subscribed	-	-	-	-	-	-	-
Additional Paid-In Capital	1,726,435,451	1,730,360,253	1,734,285,054	1,738,209,855	1,742,134,656	1,746,059,458	1,781,112,215
Retained Earnings	488,812,714	488,812,714	488,812,714	488,812,714	488,812,714	488,812,714	445,068,034
Accum. Other Comprehensive Income	(36,605,884)	(36,605,884)	(36,605,884)	(36,605,884)	(36,605,884)	(36,605,884)	(36,605,884)
Current Year Net Income	5,949,340	42,493,636	84,014,586	146,936,753	184,819,364	226,692,621	170,607,292
Dividends	-	(30,740,463)	(30,740,463)	(30,740,463)	(61,613,370)	(61,613,370)	(66,986,546)
Equity	2,185,043,038	2,194,772,322	2,240,218,723	2,307,066,341	2,318,001,495	2,363,800,202	2,293,656,282
Long-Term debt (including curr maturities)	2,169,705,683	2,169,729,219	2,159,752,755	2,159,710,815	2,159,734,351	2,159,757,887	2,166,610,261
Short Term Notes Payable - daily avg	202,075,674	275,297,924	267,209,399	191,833,479	165,437,908	162,078,895	114,263,271
Total Capitalization	4,556,824,396	4,639,799,465	4,667,180,877	4,658,610,635	4,643,173,754	4,685,636,984	4,574,529,815
Total Capitalization, Excl STD	4,354,748,721	4,364,501,541	4,399,971,478	4,466,777,156	4,477,735,846	4,523,558,089	4,460,266,543

Equity %	51.4%
LTD %	48.6%
Total	100.0%

ATMOS ENERGY CORPORATION - KENTUCKY

Capital Structure Summary
 For the Base Period, Test Period
 and Forecasted Years

MFR 10(9)(h)11

	FY 2011	FY 2012	FY 2013	FY 2014
Common Stock	458,641	469,367	480,212	490,383
Treasury Stock	-	-	-	-
Common Stock Subscribed	-	-	-	-
Additional Paid-in Capital	1,771,139,642	1,838,133,076	1,908,357,944	1,976,732,984
Retained Earnings	488,786,305	577,463,714	673,582,519	778,501,061
Accum. Other Comprehensive Income	(37,475,934)	(37,475,934)	(37,475,934)	(37,475,934)
Current Year Net Income	213,590,688	225,816,726	239,559,342	254,165,338
Dividends	(124,913,280)	(129,697,920)	(134,640,800)	(139,573,220)
Equity	2,311,586,063	2,474,709,028	2,649,863,283	2,832,840,613
Long-Term debt (including curr mat.)	2,362,565,240	2,360,130,979	2,460,000,027	2,460,000,027
Short Term Notes Payable - daily avg	-	-	-	-
Total Capitalization	4,674,151,302	4,834,840,007	5,109,863,310	5,292,840,640
Equity %	49.5%	51.2%	51.9%	53.5%
LTD %	50.5%	48.8%	48.1%	46.5%
Total	100.0%	100.0%	100.0%	100.0%

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(9)(h)12

Description of Filing Requirement:

Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information:

12. Rate base;

Response:

Please see the attached schedule.

ATMOS ENERGY CORPORATION

**Rate Base
Kentucky**

FR 10(9)(h)12

Line No.	Rate Base Component	Base	Test	2011	2012	2013
		12/31/2009	3/31/2011			
		\$	\$			
1	Plant in Service	343,428,362	366,682,755	375,849,824	393,711,640	422,105,070
2	Construction Work in Progress	4,976,625	4,976,625	4,976,625	4,976,625	4,976,625
3	Accumulated Depreciation	(152,974,498)	(163,563,748)	(167,652,842)	(178,537,893)	(194,568,979)
4	Net Property Plant and Equipment	195,430,488	208,095,631	213,173,607	220,150,373	232,512,715
5						
6	Cash Working Capital Allowance	2,850,618	2,801,184	2,884,963	2,971,512	3,060,657
7	Other Working Capital Allowance	32,953,172	(8,197,878)	(8,443,815)	(8,697,129)	(8,958,043)
8	Customer Advances	(2,662,284)	(2,681,210)	(2,761,646)	(2,844,496)	(2,929,830)
9	Deferred Income Taxes	(32,993,458)	(34,107,922)	(35,850,939)	(39,330,425)	(42,803,804)
10						
11	Rate Base	195,578,536	165,909,805	169,002,170	172,249,835	180,881,695

The above amounts are ending month balances.

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(9)(h)13

Description of Filing Requirement:

Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information:

13. Gallons of water projected to be sold (water);

Response:

Not Applicable.

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(9)(h)14

Description of Filing Requirement:

Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information:

14. Customer forecast (gas, water);

Response:

The customer forecast is provided in the attached schedule FR 10(9)(h)14. Reference also the testimony of Mr. Gary L. Smith, Director – Rates & Regulatory Affairs.

Atmos Energy Corporation
Case No. 2009-00354
CUSTOMER FORECAST - Total Company
For the THREE FORECASTED YEARS, Calendar Years 2011-2014

Line No.	Description	2011	2012	2013	2014	Comments
		(a)	(b)	(c)	(d)	(e)
1	Average Sales Customers-					
2						
3	Residential	151,937	151,537	151,137	150,737	Growth rate -400 per year, see Testimony of Mr. Gary L Smith for underlying assumptions.
4						
5						
6	Commercial	17,394	17,394	17,394	17,394	Growth rate 0 per year, see Testimony of Mr. Gary L Smith for underlying assumptions.
7						
8						
9	Industrial	217	217	217	217	Growth rate 0 per year, see Testimony of Mr. Gary L Smith for underlying assumptions.
10						
11						
12	Public Authority	1,565	1,565	1,565	1,565	Growth rate 0 per year, see Testimony of Mr. Gary L Smith for underlying assumptions.
13						
14						
15	Total Sales Customers-	171,113	170,713	170,313	169,913	
16						
17						
18	Average Transportation Customers-	196	196	196	196	Growth rate 0 per year, see Testimony of Mr. Gary L Smith for underlying assumptions.
19						
20						
21	Total Annual Average Customers	<u>171,309</u>	<u>170,909</u>	<u>170,509</u>	<u>170,109</u>	

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(9)(h)15

Description of Filing Requirement:

Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information:

15. MCF sales forecasts (gas);

Response:

The MCF sales forecast is provided in the attached schedule FR 10(9)(h)15. Reference also the testimony of Mr. Gary L. Smith, Director – Rates & Regulatory Affairs.

Atmos Energy Corporation
Case No. 2009-00354
MCF SALES FORECAST - Total Company
For the THREE FORECASTED YEARS, Calendar Years 2011-2014
All Volumes in Mcf at Standard Conditions

Line No.	Description	2011	2012	2013	2014	Comments
		(a)	(b)	(c)	(d)	(e)
1	Sales Volumes-					
2						
3	Residential	9,884,289	9,630,928	9,378,726	9,127,725	Reference the Testimony of Mr. Gary L. Smith for underlying assumptions.
4						
5						
6	Commercial	4,634,461	4,582,280	4,530,113	4,477,940	Reference the Testimony of Mr. Gary L. Smith for underlying assumptions.
7						
8						
9	Industrial	734,563	734,563	734,563	734,563	Reference the Testimony of Mr. Gary L. Smith for underlying assumptions.
10						
11						
12	Public Authority	1,174,233	1,164,845	1,155,454	1,146,064	Reference the Testimony of Mr. Gary L. Smith for underlying assumptions.
13						
14						
15	Total Sales Volumes-	16,427,547	16,112,617	15,798,857	15,486,293	
16						
17						
18	Transportation Volumes-	22,565,755	22,565,755	22,565,755	22,565,755	Reference the Testimony of Mr. Gary L. Smith for underlying assumptions.
19						
20						
21	Total Volumes	<u>38,993,302</u>	<u>38,678,372</u>	<u>38,364,612</u>	<u>38,052,048</u>	

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(9)(h)16

Description of Filing Requirement:

Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information:

16. Toll and access forecast of number of calls and number of minutes (telephone); and

Response:

Not Applicable.

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(9)(h)17

Description of Filing Requirement:

Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information:

17. A detailed explanation of any other information provided

Response:

Not Applicable.

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(9)(i)

Description of Filing Requirement:

Most recent FERC or FCC audit reports;

Response:

Neither the FERC nor the FCC regulate the Company's local gas distribution operations in Kentucky.

**Atmos Energy Corp.; Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2009-00354
Forecasted Test Period Filing Requirements**

FR 10(9)(j)

Description of Filing Requirement:

Prospectuses of most recent stock or bond offerings;

Response:

Please see attached prospectus of December 2006 stock offering and March 2009 bond offering.

Filed Pursuant to Rule 424(b)(2)
Registration No. 333-139093

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Maximum Aggregate Offering Price	Amount of Registration Fee (2)(3)
Common stock (no par value per share)(1)	6,325,000 shares	\$199,237,500	\$21,319

- (1) Includes, with respect to each share of common stock, Rights pursuant to the registrant's Rights Agreement, dated as of November 12, 1997, as amended, between the registrant and the Rights Agent named therein. Until any triggering event under the Rights Agreement occurs, the Rights trade with, and cannot be separated from, the common stock.
- (2) Calculated in accordance with Rule 457(r) under the Securities Act.
- (3) The fee has been satisfied by applying, pursuant to Rule 457(p) under the Securities Act, \$21,319 of the previously paid filing fee of \$278,740 with respect to the initial offering price of securities that were previously registered pursuant to the registrant's prior registration statement on Form S-3 (SEC File No. 333-118706), initially filed on August 31, 2004, and that have not been sold thereunder, of which \$50,873 of the registration fee paid with respect to the prior registration statement remains unused. This "Calculation of Registration Fee" table shall be deemed to update the "Calculation of Registration Fee" table in the registrant's registration statement on Form S-3ASR (SEC File No. 333-139093).

PROSPECTUS SUPPLEMENT
(To Prospectus dated December 4, 2006)

5,500,000 Shares



Common Stock

This is an offering of 5,500,000 shares of the common stock of Atmos Energy Corporation.

Our common stock is listed on the New York Stock Exchange under the symbol "ATO." The last reported sales price of our common stock on December 7, 2006 was \$32.07.

Investing in our common stock involves risks. See "Risk Factors" beginning on page 1 of the accompanying prospectus.

	<u>Per Share</u>	<u>Total</u>
Price to the public	\$31.5000	\$173,250,000
Underwriting discounts and commissions	\$ 1.1025	\$ 6,063,750
Proceeds to Atmos Energy Corporation (before expenses)	\$30.3975	\$167,186,250

We have granted to the underwriters the option to purchase up to 825,000 additional shares of common stock on the same terms and conditions set forth above if the underwriters sell more than 5,500,000 shares of common stock in this offering.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus supplement. Any representation to the contrary is a criminal offense.

Lehman Brothers and Goldman, Sachs & Co., on behalf of the underwriters, expect to deliver the shares on or about December 13, 2006.

Joint Book-Running Managers

LEHMAN BROTHERS

GOLDMAN, SACHS & Co.

BANC OF AMERICA SECURITIES LLC

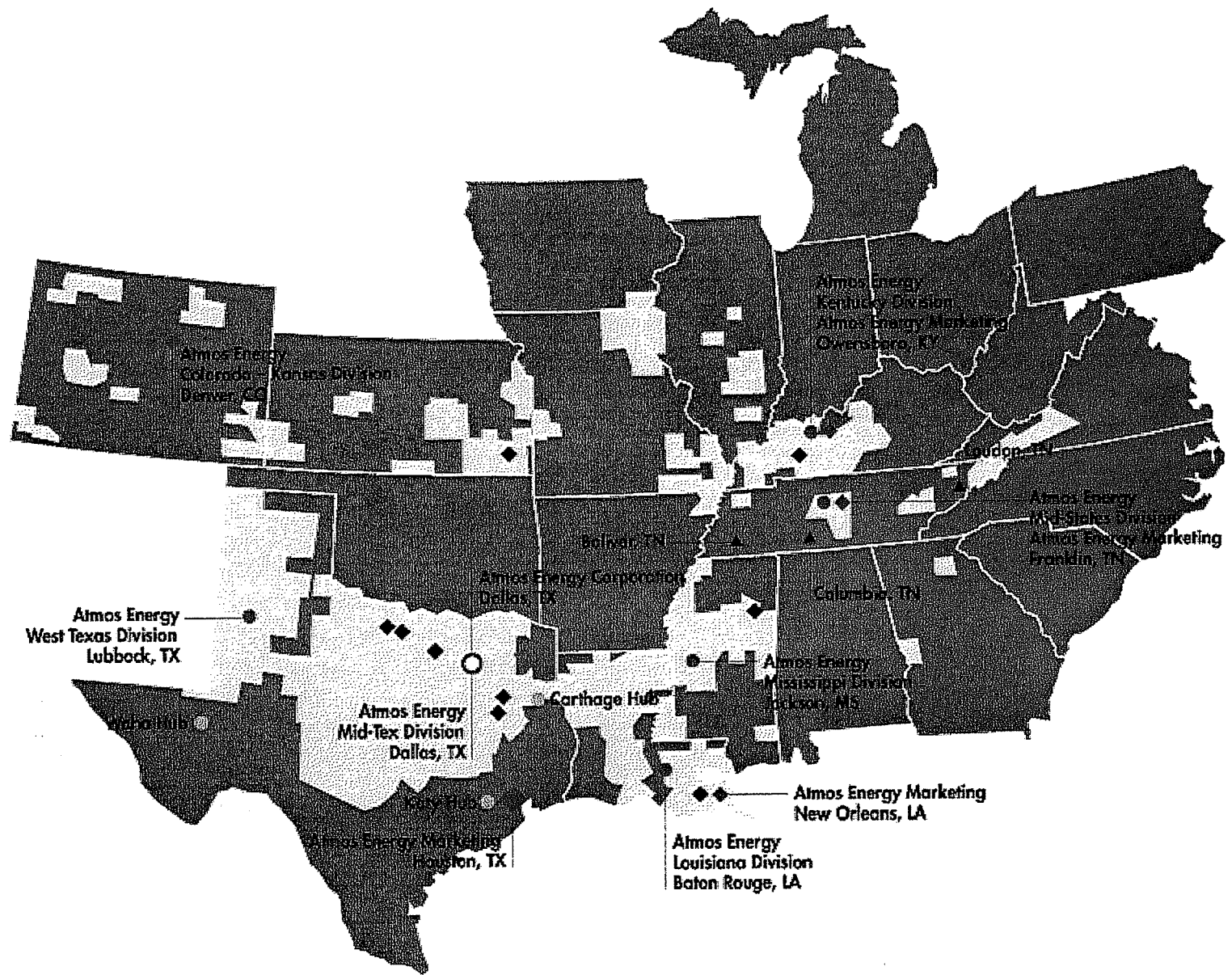
JPMORGAN

MERRILL LYNCH & Co.

SUNTRUST ROBINSON HUMPHREY

WACHOVIA SECURITIES

December 7, 2006



- Atmos Energy Corporation headquarters
- Utility division headquarters
- Utility operations
- ◆ Atmos Energy Marketing headquarters
- ◆ Atmos Energy Marketing regional offices
- ▲ Proprietary storage
- Atmos Energy states of operation
- Major gas delivery hub
- ▲ Distributed generation

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PROSPECTUS

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You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

**IMPORTANT NOTICE ABOUT INFORMATION IN THIS
PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS**

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of the common stock and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, dated December 4, 2006, which gives more general information, some of which does not apply to this offering. To the extent there is a conflict between the information contained in this prospectus supplement, the information contained in the accompanying prospectus or the information contained in any document incorporated by reference herein or therein, the information contained in the most recently dated document shall control.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with information that is different. If anyone provides you with different or inconsistent information, you should not rely on it. See "Incorporation by Reference" in this prospectus supplement and "Where You Can Find More Information" in the accompanying prospectus.

We are offering to sell, and seeking offers to buy, the common stock only in jurisdictions where offers and sales are permitted.

The information contained in or incorporated by reference in this document is accurate only as of the date of this prospectus supplement, regardless of the time of delivery of this prospectus supplement or of any sale of common stock.

INCORPORATION BY REFERENCE

The SEC allows us to “incorporate by reference” information in this prospectus supplement and the accompanying prospectus that we have filed with it. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus, except for any information that is superseded by information that is included directly in this prospectus supplement or the accompanying prospectus.

We incorporate by reference in this prospectus supplement and the accompanying prospectus the documents listed below and any future filings we make with the SEC under sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 prior to the termination of this offering. These additional documents include periodic reports, such as annual reports on Form 10-K and quarterly reports on Form 10-Q and current reports on Form 8-K (other than information furnished under Items 2.02 and 7.01, which is deemed not to be incorporated by reference in this prospectus supplement or the accompanying prospectus), as well as proxy statements. You should review these filings as they may disclose a change in our business, prospects, financial condition or other affairs after the date of this prospectus supplement. The information that we file later with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act and before the termination of this offering will automatically update and supersede previous information included or incorporated by reference in this prospectus supplement and the accompanying prospectus.

This prospectus supplement and the accompanying prospectus incorporate by reference the documents listed below that we have filed with the SEC but have not been included or delivered with this document:

- Our annual report on Form 10-K for the year ended September 30, 2006; and
- Our current reports on Form 8-K filed with the SEC on October 20, 2006, November 13, 2006 and December 4, 2006.

These documents contain important information about us and our financial condition.

You may obtain a copy of any of these filings, or any of our future filings, from us without charge by requesting it in writing or by telephone at the following address or telephone number:

Atmos Energy Corporation
1800 Three Lincoln Centre
5430 LBJ Freeway
Dallas, Texas 75240
Attention: Susan Kappes Giles
(972) 934-9227

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Statements contained or incorporated by reference in this prospectus supplement that are not statements of historical fact are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933. Forward-looking statements are based on management’s beliefs as well as assumptions made by, and information currently available to, management. Because such statements are based on expectations as to future results and are not statements of fact, actual results may differ materially from those stated. Important factors that could cause future results to differ include, but are not limited to:

- regulatory trends and decisions, including deregulation initiatives and the impact of rate proceedings before various state regulatory commissions;
- adverse weather conditions, such as warmer-than-normal weather in our utility service territories or colder-than-normal weather that could adversely affect our natural gas marketing activities;
- the concentration of our distribution, pipeline and storage operations in one state;
- impact of environmental regulations on our business;
- market risks beyond our control affecting our risk management activities, including market liquidity, commodity price volatility, increasing interest rates and counterparty creditworthiness;
- our ability to continue to access the capital markets;
- effects of inflation;
- effects of changes in the availability and prices of natural gas, including the volatility of natural gas prices;
- increased competition from other energy suppliers and alternative forms of energy;
- increased costs of providing pension and post-retirement health care benefits;
- the capital-intensive nature of our distribution business;
- the inherent hazards and risks involved in operating a distribution business;
- effects of natural disasters or terrorist activities; and
- other factors discussed in this prospectus and our other filings with the SEC.

All of these factors are difficult to predict and many are beyond our control. Accordingly, while we believe these forward-looking statements to be reasonable, there can be no assurance that they will approximate actual experience or that the expectations derived from them will be realized. When used in our documents or oral presentations, the words “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “goal,” “intend,” “objective,” “plan,” “projection,” “seek,” “strategy” or similar words are intended to identify forward-looking statements. We undertake no obligation to update or revise our forward-looking statements, whether as a result of new information, future events or otherwise.

For further factors you should consider, please refer to the “Risk Factors” sections beginning on page 1 of the accompanying prospectus and Sections “Item 1A. Risk Factors” and “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our annual report on Form 10-K for the year ended September 30, 2006. See “Incorporation by Reference.”

The terms “we,” “our,” “us” and “Atmos” refer to Atmos Energy Corporation and its subsidiaries unless the context suggests otherwise. The term “you” refers to a prospective investor. The abbreviations “Mcf,” “MMcf” and “Bcf” mean thousand cubic feet, million cubic feet and billion cubic feet, respectively. The abbreviation “MMBtu” means million British thermal units.

Except as otherwise indicated, all information in this prospectus supplement assumes that the underwriters have not exercised their option to purchase additional shares of common stock.

PROSPECTUS SUPPLEMENT SUMMARY

You should read the following summary in conjunction with the more detailed information contained elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus.

Atmos Energy Corporation

Atmos Energy Corporation and its subsidiaries are engaged primarily in the natural gas utility business as well as other natural gas nonutility businesses. We are one of the country's largest natural-gas-only distributors based on number of customers and one of the largest intrastate pipeline operators in Texas based upon miles of pipe. As of September 30, 2006, we distributed natural gas through sales and transportation arrangements to approximately 3.2 million residential, commercial, public authority and industrial customers through our seven regulated utility divisions, which covered service areas in 12 states. Our primary service areas are located in Colorado, Kansas, Kentucky, Louisiana, Mississippi, Tennessee and Texas. We have more limited service areas in Georgia, Illinois, Iowa, Missouri and Virginia. In addition, we transport natural gas for others through our distribution system.

Through our nonutility businesses, we primarily provide natural gas management and marketing services to municipalities, other local gas distribution companies and industrial customers in 22 states and natural gas transportation and storage services to some of our utility divisions and to third parties.

Our operations are divided into four segments:

- the utility segment, which includes our regulated natural gas distribution and related sales operations,
- the natural gas marketing segment, which includes a variety of nonregulated natural gas management services,
- the pipeline and storage segment, which includes our regulated and nonregulated natural gas transmission and storage services and
- the other nonutility segment, which includes all of our other nonregulated nonutility operations.

Our overall strategy is to:

- deliver superior shareholder value,
- improve the quality and consistency of earnings growth, while operating our natural gas utility and nonutility businesses exceptionally well and
- enhance and strengthen a culture built on our core values.

We have experienced over 20 consecutive years of increasing dividends and earnings growth after giving effect to our acquisitions. We have achieved this record of growth while operating our utility operations efficiently by managing our operating and maintenance expenses and leveraging our technology to achieve more efficient operations. In addition, we have focused on regulatory rate proceedings to increase revenue as our costs increase and to mitigate weather-related risks through weather-normalized rates. We have also strengthened our nonutility businesses by increasing gross profit margins, actively pursuing opportunities to increase the amount of storage available to us and expanding commercial opportunities in our pipeline and storage segment.

Over the last five years, we have primarily grown through two significant acquisitions, our

acquisition in December 2002 of Mississippi Valley Gas Company (MVG) and our acquisition in October 2004 of the natural gas distribution and pipeline operations of TXU Gas Company (TXU Gas). The TXU Gas acquisition doubled our number of utility customers, by adding approximately 1.5 million gas customers to our utility operations in Texas, including the Dallas-Fort Worth metropolitan area and the northern suburbs of Austin. The acquisition

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also added 6,162 miles of gas transmission and gathering lines and five underground storage reservoirs, all within Texas.

During the last two fiscal years, we have achieved the following:

Integration of TXU Gas. We completed the integration of the TXU Gas operations during fiscal 2005, incorporating the administrative functions of TXU Gas into our headquarters in Dallas and managing all meter reading, customer billing and call center functions internally.

Regulatory Activities. We pursued rate design changes and, as a result, we now have weather protection for over 90 percent of our residential and commercial customer meters beginning with the 2006-2007 winter heating season. During fiscal 2005, we obtained improved rate design in Mississippi, including improved weather normalization. During fiscal 2006, our Mid-Tex Division received a weather normalization adjustment as a part of a pending rate case and our Louisiana Division obtained a new rate design that will decouple our margins from all customer usage patterns. We were also permitted to implement new rates in our Louisiana Division in fiscal 2006, subject to possible refund, to cover customer losses in Hurricane Katrina-affected parishes and provide for increases in rate base and operating expenses.

Completed Growth Projects. We completed four new pipeline projects during fiscal 2006, the largest of which was a joint venture project to install a 45-mile 30-inch pipeline to serve the northern suburbs of the Dallas-Fort Worth metropolitan area. We believe that this pipeline will help us deliver gas to a growing consumer market while providing increased gas transmission capacity to serve the Texas intrastate wholesale gas market.

Recent Developments

Results for Fiscal 2006. In fiscal 2006, we reported net income of \$147.7 million, or \$1.82 per diluted share, compared to net income of \$135.8 million, or \$1.72 per diluted share, in fiscal 2005. The nine percent year-over-year increase in net income was primarily attributable to strong financial results in our natural gas marketing segment as it was able to capture higher margins in a volatile natural gas market and the inclusion of unrealized mark-to-market gains. Additionally, pipeline and storage net income increased 16 percent compared with the prior year. These results helped overcome the adverse effects on our utility segment of weather (adjusted for weather normalization) that was 13 percent warmer than normal, the adverse effect of Hurricane Katrina on our Louisiana Division and a non-cash charge to impair certain assets. Our utility operations contributed \$53.0 million (\$0.65 per diluted share) or 36 percent to fiscal 2006 results, compared with \$81.1 million (\$1.03 per diluted share) or 60 percent to fiscal 2005 results. Our nonutility operations comprised of our natural gas marketing, pipeline and storage and other nonutility segments, contributed \$94.7 million (\$1.17 per diluted share) or 64 percent to fiscal 2006 results, compared with \$54.7 million (\$0.69 per diluted share) or 40 percent to fiscal 2005 results. See "Summary Financial and Operating Data" on page S-4 and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our annual report on Form 10-K for the year ended September 30, 2006, for more information on our results for fiscal 2006 and comparisons to prior period results.

Straight Creek Project. In May 2006, we announced plans to expand our nonutility operations through the construction of a natural gas gathering system in Eastern Kentucky, which we refer to as the Straight Creek Project. We believe that our Straight Creek Project will relieve gas gathering and transportation constraints that have historically burdened natural gas producers in this area of Eastern Kentucky and should also improve delivery reliability to natural gas customers. As currently designed, the Straight Creek Project is expected to cost between \$75.0 million and \$80.0 million. Construction is expected to begin in the first half of fiscal 2007, with operations expected to begin in fiscal 2008. On October 6, 2006, we announced that the Federal Energy Regulatory Commission (FERC) issued a declaratory order finding that our Straight Creek Project, as currently designed, will be exempt from FERC jurisdiction.

Dividend Announcement. On November 7, 2006, we announced that our Board of Directors declared a quarterly dividend increase on our common stock of approximately

2 percent to \$0.32 per share of common

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stock. The dividend will be paid on December 11, 2006, to shareholders of record on November 27, 2006. Individuals who purchase shares of our common stock in this offering will not be entitled to receive this dividend.

Five-Year Revolving Credit Agreement. We have negotiated a \$600 million five-year revolving credit agreement with a syndicate of 15 lenders that backstops our commercial paper program. This agreement will replace and contain substantially the same terms as our existing \$600 million three-year revolving credit agreement that we entered into in October 2005. We have received regulatory approval for this agreement and expect to enter into it in December 2006.

Other Developments

At our 2007 annual meeting of shareholders, scheduled for February 7, 2007, we will ask our shareholders to approve an amendment to our 1998 Long-Term Incentive Plan to increase the number of shares of our common stock reserved for issuance under the plan by 2,500,000 shares and to extend the term of the plan for an additional three years. We will also ask our shareholders to approve an extension to the term of our Annual Incentive Plan for Management by an additional five years. Holders of record of our common stock on December 11, 2006, the record date for the meeting, will be entitled to vote at the annual meeting. Therefore, the common stock that we issue in this offering will not be entitled to vote at the 2007 annual meeting.

Our address is 1800 Three Lincoln Centre, 5430 LBJ Freeway, Dallas, Texas 75240, and our telephone number is (972) 934-9227. Our internet Web site address is www.atmosenergy.com. Information on or connected to our internet Web site is not part of this prospectus supplement or the accompanying prospectus.

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Summary Financial and Operating Data
(in thousands, except per share data)

The following table presents summary consolidated and segment financial and operating data of Atmos Energy Corporation for the periods and as of the dates indicated. We derived the summary financial data for the fiscal years ended September 30, 2006, 2005, 2004, 2003 and 2002 from our audited consolidated financial statements. The information is only a summary and does not provide all of the information contained in our financial statements. Therefore, you should read the information presented below in conjunction with "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included in our annual report on Form 10-K for the year ended September 30, 2006, which is incorporated by reference in this prospectus supplement and the accompanying prospectus. Over the periods presented below, we have primarily grown through two significant acquisitions, MVG in December 2002 and TXU Gas in October 2004. As a result, our consolidated financial and operating data presented below include results and data from operations of MVG and TXU Gas from the dates of the acquisitions; therefore, comparisons between periods may not be meaningful.

	Year Ended September 30,				
	2006 ⁽¹⁾	2005 ⁽²⁾	2004 ⁽³⁾	2003 ⁽⁴⁾	2002
Consolidated Financial Data					
Operating revenues	\$6,152,363	\$4,961,873	\$2,920,037	\$2,799,916	\$1,650,964
Gross profit	1,216,570	1,117,637	562,191	534,976	431,140
Operating expenses	833,954	768,982	368,496	347,136	275,809
Operating income	382,616	348,655	193,695	187,840	155,331
Interest charges	146,607	132,658	65,437	63,660	59,174
Miscellaneous income					
(expense)	881	2,021	9,507	2,191	(1,321)
Income tax expense	89,153	82,233	51,538	46,910	35,180
Cumulative effect of accounting change, net of income tax benefit	—	—	—	(7,773)	—
Net income	\$ 147,737	\$ 135,785	\$ 86,227	\$ 71,688	\$ 59,656
Diluted net income per share before cumulative effect of accounting change, net of tax	\$ 1.82	\$ 1.72	\$ 1.58	\$ 1.71	\$ 1.45
Diluted net income per share	\$ 1.82	\$ 1.72	\$ 1.58	\$ 1.54	\$ 1.45
Cash dividends paid per share	\$ 1.26	\$ 1.24	\$ 1.22	\$ 1.20	\$ 1.18
Cash flow from operating activities	\$ 311,449	\$ 386,944	\$ 270,734	\$ 49,451	\$ 297,395
Capital expenditures	\$ 425,324	\$ 333,183	\$ 190,285	\$ 159,439	\$ 132,252

	Year Ended September 30,				
	2006	2005 ⁽²⁾	2004	2003 ⁽⁴⁾	2002
Selected Operating Data					
Utility meters in service, end of year	3,181,199	3,157,840	1,679,136	1,672,798	1,389,341
Total utility throughput (MMcf) ⁽⁵⁾	398,993	418,381	260,965	254,671	214,133
Natural gas marketing sales volumes (MMcf) ⁽⁵⁾	336,516	273,201	265,090	294,785	273,692
Pipeline transportation volumes (MMcf) ⁽⁵⁾	590,985	563,949	9,395	11,648	12,788

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	As of September 30,				
	2006	2005	2004	2003	2002
Consolidated Balance Sheet Data					
Net property, plant and equipment ⁽⁶⁾	\$3,629,156	\$3,374,367	\$1,722,521	\$1,624,394	\$1,380,070
Working capital ⁽⁶⁾	\$ (1,616)	\$ 151,675	\$ 283,310	\$ 16,248	\$ (139,150)
Total assets ⁽⁶⁾	\$5,719,547	\$5,653,527	\$2,912,627	\$2,625,495	\$2,059,631
Debt					
Long-term debt ⁽⁷⁾	\$2,180,362	\$2,183,104	\$ 861,311	\$ 862,500	\$ 668,959
Short-term debt ⁽⁷⁾	385,602	148,073	5,908	127,940	167,771
Total debt	\$2,565,964	\$2,331,177	\$ 867,219	\$ 990,440	\$ 836,730
Shareholders' equity	\$1,648,098	\$1,602,422	\$1,133,459	\$ 857,517	\$ 573,235
Segment Operating Income					
Utility	\$ 201,894	\$ 236,365	\$ 159,890	\$ 161,134	\$ 125,506
Natural gas marketing	102,235	40,985	27,726	13,569	20,610
Pipeline and storage	77,858	70,286	5,293	11,814	—
Other nonutility	392	818	752	1,323	9,215
Eliminations	237	201	34	—	—
Consolidated	\$ 382,616	\$ 348,655	\$ 193,695	\$ 187,840	\$ 155,331

- (1) Financial results for fiscal 2006 include a \$22.9 million pre-tax loss for the impairment of the West Texas Division's irrigation assets.
- (2) Financial results and operating data for fiscal 2005 include the operations of our Mid-Tex and Atmos Pipeline — Texas divisions, from October 1, 2004, the date of acquisition.
- (3) Financial results for fiscal 2004 include a \$5.9 million pre-tax gain on the sale of our interest in U.S. Propane, L.P. and Heritage Propane Partners, L.P.
- (4) Financial results and operating data for fiscal 2003 include the operations of MVG from December 3, 2002, the date of acquisition.
- (5) Throughput and sales volumes reflect segment operations, including intercompany sales and transportation amounts.
- (6) Beginning in fiscal 2004, we reclassified our regulatory cost of removal obligation from accumulated depreciation to a liability. The amounts presented above for property, plant and equipment, working capital and total assets reflect this reclassification for all periods presented. This reclassification did not impact our financial position, results of operations or cash flows as of and for the years ended September 30, 2003 and 2002.
- (7) Long-term debt excludes current maturities. Short-term debt is comprised of current maturities of long-term debt and short-term debt.
- (8) Pipeline and storage operations were not reported as a segment prior to fiscal 2003.

The Offering

Common Stock Offered	5,500,000 shares
Shares Outstanding After the Offering	87,239,516 shares
Use of Proceeds	We estimate that our net proceeds from this offering, without exercise of the underwriters' option to purchase additional shares of common stock and after deducting the underwriting discount and commissions and estimated offering expenses payable by us, will be approximately \$166.8 million. We intend to use the net proceeds of this offering to repay short-term debt outstanding under our commercial paper program.
NYSE Symbol	ATO

The number of shares outstanding after the offering is based on our shares outstanding on September 30, 2006, and excludes 1,573,381 shares reserved for issuance under outstanding options and share unit awards as of September 30, 2006. This number assumes that the underwriters' option is not exercised. If the underwriters' option is exercised, we will issue and sell up to an additional 825,000 shares.

See "Risk Factors" beginning on page 1 of the accompanying prospectus and other information included and incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of the factors you should consider carefully before deciding to invest in our common stock.

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USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately \$166.8 million (\$191.9 million if the underwriters' option is exercised in full), after deducting the underwriting discount and commissions and estimated offering expenses payable by us.

We intend to use the estimated net proceeds of this offering to repay short-term debt outstanding under our commercial paper program. As of December 7, 2006, we had \$345.7 million of our commercial paper outstanding under our commercial paper program with a weighted average interest rate of approximately 5.49 percent and a weighted average maturity of approximately 11 days. We use our commercial paper program for our working capital, capital expenditures and other general corporate purposes.

To the extent we issue shares of common stock generating net proceeds in excess of the estimated amount, we intend to use such additional net proceeds to repay additional short-term debt outstanding under our commercial paper program.

CAPITALIZATION

The following table presents our short-term debt and capitalization as of September 30, 2006, on an actual basis and on an as adjusted basis to give effect to the application of approximately \$166.8 million of estimated net proceeds of this offering to repay short-term debt as if it had occurred on such date. You should read this table in conjunction with the section "Use of Proceeds" and our consolidated financial statements and related notes included in our annual report on Form 10-K for the year ended September 30, 2006, which is incorporated by reference in this prospectus supplement.

	<u>As of September 30, 2006</u>	
	<u>Actual</u>	<u>As Adjusted</u>
	(in thousands)	
Short-term debt		
Current portion of long-term debt	\$ 3,186	\$ 3,186
Other short-term debt	382,416	215,630
Total short-term debt	<u>\$ 385,602</u>	<u>\$ 218,816</u>
Long-term debt, less current portion	\$2,180,362	\$2,180,362
Shareholders' equity		
Common stock, no par value (stated at \$.005 per share); 200,000,000 shares authorized; 81,739,516 shares issued and outstanding, actual; 87,239,516 shares issued and outstanding, as adjusted ⁽¹⁾	\$ 409	\$ 437
Additional paid-in capital	1,467,240	1,633,998
Retained earnings	224,299	224,299
Accumulated other comprehensive loss	(43,850)	(43,850)
Shareholders' equity	<u>1,648,098</u>	<u>1,814,884</u>
Total capitalization ⁽²⁾	<u>\$3,828,460</u>	<u>\$3,995,246</u>

(1) The number of shares of common stock issued and outstanding excludes 1,573,381 shares of our common stock then issuable upon exercise of outstanding options and share unit awards and up to 825,000 shares issuable upon the exercise of the underwriters' option.

(2) Total capitalization excludes the current portion of long-term debt and other short-term debt.

MARKET PRICE OF COMMON STOCK AND DIVIDENDS

Our common stock is listed on the New York Stock Exchange under the symbol "ATO." The following table indicates the high and low closing prices of our common stock, as reported by the New York Stock Exchange, and the dividends that we paid per share during the periods indicated.

	<u>High</u>	<u>Low</u>	<u>Cash Dividends Paid</u>
Quarter Ending			
December 31, 2006 (through December 7, 2006)	\$33.01	\$28.45	
Quarter Ended			
September 30, 2006	\$29.11	\$27.96	\$0.315
June 30, 2006	27.91	26.00	0.315
March 31, 2006	27.00	26.10	0.315
December 31, 2005	28.36	25.79	0.315
Quarter Ended			
September 30, 2005	\$29.76	\$28.23	\$0.310
June 30, 2005	28.87	25.94	0.310
March 31, 2005	29.09	26.19	0.310
December 31, 2004	27.43	24.85	0.310
Quarter Ended			
September 30, 2004	\$25.86	\$24.61	\$0.305
June 30, 2004	26.05	23.68	0.305
March 31, 2004	26.86	24.32	0.305
December 31, 2003	24.99	24.15	0.305

The last reported sale price of our common stock on the New York Stock Exchange on December 7, 2006 was \$32.07 per share.

The quarterly dividends of \$0.315 per share paid during the four quarters of fiscal 2006 yielded an annual dividend for fiscal 2006 of \$1.26 per share. Our board of directors has declared a dividend of \$0.32 per share payable on December 11, 2006 to shareholders of record on November 27, 2006.

Dividends on our shares of common stock are payable at the discretion of our board of directors out of legally available funds. Future payments of dividends, and the amounts of these dividends, will depend on our financial condition, results of operations, capital requirements and other factors, including compliance with the restrictions in our debt agreements.

BUSINESS

Overview

Atmos Energy Corporation, headquartered in Dallas, Texas, is engaged primarily in the natural gas utility business as well as other natural gas nonutility businesses. We are one of the country's largest natural-gas-only distributors based on number of customers and one of the largest intrastate pipeline operators in Texas based upon miles of pipe. As of September 30, 2006, we distributed natural gas through sales and transportation arrangements to approximately 3.2 million residential, commercial, public authority and industrial customers through our seven regulated utility divisions, which covered service areas in 12 states. Our primary service areas are located in Colorado, Kansas, Kentucky, Louisiana, Mississippi, Tennessee and Texas. We have more limited service areas in Georgia, Illinois, Iowa, Missouri and Virginia. In addition, we transport natural gas for others through our distribution system.

Through our nonutility businesses, we primarily provide natural gas management and marketing services to municipalities, other local gas distribution companies and industrial customers in 22 states and natural gas transportation and storage services to certain of our utility divisions and to third parties.

Operating Segments

Our operations are divided into four segments:

- the utility segment, which includes our regulated natural gas distribution and related sales operations,
- the natural gas marketing segment, which includes a variety of nonregulated natural gas management services,
- the pipeline and storage segment, which includes our regulated and nonregulated natural gas transmission and storage services and
- the other nonutility segment, which includes all of our other nonregulated nonutility operations.

Utility Segment

We operated our utility segment through the following seven regulated natural gas utility divisions during the year ended September 30, 2006:

- Atmos Energy Colorado-Kansas Division,
- Atmos Energy Kentucky Division,
- Atmos Energy Louisiana Division,
- Atmos Energy Mid-States Division,
- Atmos Energy Mid-Tex Division,
- Atmos Energy Mississippi Division and
- Atmos Energy West Texas Division.

Effective October 1, 2006, the Kentucky and Mid-States divisions were combined.

Our natural gas utility distribution business is seasonal and dependent on weather conditions in our service areas. Gas sales to residential and commercial customers are greater during the winter months than during the remainder of the year. The volumes of gas sales during the winter months will vary with the temperatures during these months.

In addition to weather, our financial results are affected by the cost of natural gas and economic conditions in the areas that we serve. Higher gas costs, which we are generally able to pass through to our customers under purchased gas adjustment clauses, may cause customers to conserve or, in the case of industrial customers, to use alternative energy sources. Higher gas costs may also adversely impact our accounts receivable collections, resulting in higher bad debt expense and may require us to increase borrowings under our credit facilities resulting in higher interest expense.

The effect of weather that is above or below normal is substantially offset through weather normalization adjustments, known as WNA, which are now approved by the regulators for over 90 percent of residential and commercial meters in our service areas. WNA allows us to increase customers' bills to offset lower gas usage when weather is warmer than normal and decrease customers' bills to offset higher gas usage when weather is colder than normal.

Prior to October 1, 2006, our largest division, the Mid-Tex Division, did not have WNA. However, its operations benefited from a rate structure that combined a monthly customer charge with a declining block rate schedule to partially mitigate the impact of warmer-than-normal weather on revenue. The combination of the monthly customer charge and the customer billing under the first block of the declining block rate schedule provided for the recovery of most of our fixed costs for such operations under most weather conditions. However, this rate structure was not as beneficial during periods where weather was significantly warmer than normal.

In May 2006, the Mid-Tex Division filed a Statement of Intent seeking additional annual revenues of \$60 million and several rate design changes including WNA. In July 2006, the Railroad Commission of Texas (RRC) approved an interim and a permanent WNA, effective October 1, 2006 for the Mid-Tex Division. The agreement provided that the interim WNA will be based on the use of 30 years of weather history, while the permanent WNA will allow the parties to contest the appropriate period of weather data to use in calculating normal weather. The permanent WNA will also be modified or adjusted to conform to the rate design that the RRC ultimately approves in the case. Additionally, in May 2006, we agreed to a settlement with the Louisiana Public Service Commission (LPSC) that authorized the implementation of WNA in our Louisiana Division effective December 1, 2006.

As of September 30, 2006, we had, or received regulatory approvals for, WNA for our customer meters in the following service areas for the following periods:

Georgia	October — May
Kansas	October — May
Kentucky	November — April
Louisiana ⁽¹⁾	December — March
Mid-Tex ⁽¹⁾	October — May
Mississippi	November — April
Tennessee	November — April
Amarillo, Texas	October — May
West Texas	October — May
Lubbock, Texas	October — May
Virginia	January — December

⁽¹⁾ Effective beginning with the 2006-2007 winter heating season.

Our natural gas supply comes from a variety of third-party providers and from gas held in storage. We anticipate that the natural gas supply for the upcoming winter heating season will be provided by a variety of suppliers, including independent producers, marketers and pipeline companies, in addition to withdrawals of gas from storage. Additionally, the natural gas supply for our Mid-Tex Division includes peaking and spot purchase agreements. We also contract for storage service in underground storage facilities on many of the

interstate pipelines serving us. We estimate the peak-day availability of natural gas supply from long-term contracts, short-term contracts and withdrawals from underground storage to be approximately 4.2 Bcf. The peak-day demand for our utility operations in fiscal 2006 was on December 8, 2005, when sales to customers reached approximately 3.4 Bcf.

Supply arrangements are contracted from our suppliers on a firm basis with various terms at market prices. The firm supply consists of both base load and swing supply quantities. Base load quantities are those that flow at a constant level throughout the month and swing supply quantities provide the flexibility to change daily quantities to match increases or decreases in requirements related to weather conditions. Except for local production purchases, we select suppliers through a competitive bidding process by requesting proposals from suppliers that have demonstrated that they can provide reliable service. We select these suppliers based on their ability to deliver gas supply to our designated firm pipeline receipt points at the lowest cost. Major suppliers during fiscal 2006 were Anadarko Energy Services, BP Energy Company, Chesapeake Energy Marketing, Inc., ConocoPhillips Company, Cross Timbers Energy Services, Inc., Devon Gas Services, L.P., Enbridge Marketing (US), L.P., PPM Energy, Inc., Tenaska Marketing and Atmos Energy Marketing, LLC, our natural gas marketing subsidiary.

The combination of base load, peaking and spot purchase agreements, coupled with the withdrawal of gas held in storage, allows us the flexibility to adjust to changes in weather, which minimizes our need to enter into long-term firm commitments.

Also, to maintain our deliveries to high priority customers, we have the ability, and have exercised our right, to curtail deliveries to certain customers under the terms of interruptible contracts or applicable state statutes or regulations. Our customers' demand on our system is not necessarily indicative of our ability to meet current or anticipated market demands or immediate delivery requirements because of factors such as the physical limitations of gathering, storage and transmission systems, the duration and severity of cold weather, the availability of gas reserves from our suppliers, the ability to purchase additional supplies on a short-term basis and actions by federal and state regulatory authorities. Curtailment rights provide us the flexibility to meet the human-needs requirements of our customers on a firm basis. Priority allocations imposed by federal and state regulatory agencies, as well as other factors beyond our control, may affect our ability to meet the demands of our customers. We anticipate no problems with obtaining additional gas supply as needed for our customers.

We receive gas deliveries for all of our utility divisions, except for our Mid-Tex Division, through 37 pipeline transportation companies, both interstate and intrastate, to satisfy our natural gas needs. The pipeline transportation agreements are firm and many of them have "pipeline no-notice" storage service which provides for daily balancing between system requirements and nominated flowing supplies. These agreements have been negotiated with the shortest term necessary while still maintaining our right of first refusal. The natural gas supply for our Mid-Tex Division is delivered by our Atmos Pipeline – Texas Division.

The following is a brief description of our natural gas utility divisions. For more information see "Item 1. Business" in our annual report on form 10-K for the year ended September 30, 2006.

Atmos Energy Colorado-Kansas Division. Our Colorado-Kansas Division operates in Colorado, Kansas and the southwestern corner of Missouri and is regulated by each respective state's public service commission with respect to accounting, rates and charges, operating matters and the issuance of securities. We operate under terms of non-exclusive franchises granted by the various cities. Rates in our Kansas service area are subject to WNA. The principal transporters of the Colorado-Kansas Division's gas supply requirements are Colorado Interstate Gas Company, Northwest Pipeline, Public Service Company of Colorado and Southern Star Central Pipeline. Additionally, the Colorado-Kansas Division purchases substantial volumes from producers that are connected directly to its distribution system.

Atmos Energy Kentucky Division. Our Kentucky Division operates in Kentucky and is regulated by the Kentucky Public Service Commission (KPSC), which regulates utility services, rates, issuance of securities and other matters. We operate in various incorporated cities pursuant to non-exclusive franchises granted by

these cities. The sale of natural gas for use as vehicle fuel in Kentucky is unregulated. In February 2006, the KPSC approved our request to continue the performance-based ratemaking mechanism for an additional five-year period. Under the performance-based mechanism, we and our customers jointly share in any actual gas cost savings achieved when compared to pre-determined benchmarks. Our rates are also subject to WNA. The Kentucky Division's gas supply is delivered primarily by Midwestern Pipeline, Tennessee Gas Pipeline Company, Texas Gas Transmission, LLC and Trunkline Gas Company. As noted below, this division was combined with the Mid-States Division effective October 1, 2006.

Atmos Energy Louisiana Division. Our Louisiana Division operates in Louisiana and serves the metropolitan area of Monroe, the suburban areas of New Orleans and western Louisiana. Our Louisiana Division is regulated by the Louisiana Public Service Commission, which regulates utility services, rates and other matters. We operate most of our service areas pursuant to a non-exclusive franchise granted by the governing authority of each area. Direct sales of natural gas to industrial customers in Louisiana, who use gas for fuel or in manufacturing processes, and sales of natural gas for vehicle fuel are exempt from regulation and are recognized in our natural gas marketing segment. Effective beginning with the 2006-2007 winter heating season, rates in our Louisiana service area will be subject to WNA. The principal transporters of the Louisiana Division's gas supply requirements are Acadian Pipeline, Gulf South, Louisiana Intrastate Gas Company, Texas Gas Transmission, LLC and Trans Louisiana Gas Pipeline, Inc., a subsidiary of Atmos Pipeline and Storage, LLC.

Atmos Energy Mid-States Division. Our Mid-States Division operates in Georgia, Illinois, Iowa, Missouri, Tennessee and Virginia. In each of these states, our rates, services and operations as a natural gas distribution company are subject to general regulation by each state's public service commission. We operate in each community, where necessary, under a franchise granted by the municipality for a fixed term of years. In Tennessee and Georgia, we have WNA and a performance-based rate program, which provides incentives for us to find ways to lower costs and share the cost savings with our customers. We have WNA in our Virginia service area that covers the entire year. Our Mid-States Division is served by 13 interstate pipelines; however, the majority of the volumes are transported through Columbia Gulf, East Tennessee Pipeline, Southern Natural Gas and Tennessee Gas Pipeline. The Kentucky Division was combined with the Mid-States Division effective October 1, 2006.

Atmos Energy Mid-Tex Division. Our Mid-Tex Division includes the natural gas distribution operations that operate in the north-central, eastern and western parts of Texas. The Mid-Tex Division purchases, distributes and sells natural gas in approximately 550 cities and towns, including the 11-county Dallas-Fort Worth metropolitan area. This division currently operates under a system-wide rate structure. The governing body of each municipality we serve has original jurisdiction over all utility rates, operations and services within its city limits, except with respect to sales of natural gas for vehicle fuel and agricultural use. We operate pursuant to non-exclusive franchises granted by the municipalities we serve, which are subject to renewal from time to time. The RRC has exclusive appellate jurisdiction over all rate and regulatory orders and ordinances of the municipalities and exclusive original jurisdiction over rates and services to customers not located within the limits of a municipality. Effective beginning with the 2006-2007 winter heating season, rates in our Mid-Tex service area will be subject to WNA.

Atmos Energy Mississippi Division. Our Atmos Energy Mississippi Division operates in Mississippi and is regulated by the Mississippi Public Service Commission (MPSC) with respect to rates, services and operations. We operate under non-exclusive franchises granted by the municipalities we serve. Through fiscal 2005, we operated under a rate structure that allowed us, over a five-year period, to recover a portion of our integration costs associated with the MVG acquisition and operations and maintenance costs in excess of an agreed-upon benchmark. In addition, we were required to file for rate adjustments based on our expenses every six months. Effective October 1, 2005, our rate design was modified to substitute the original agreed-upon benchmark with a sharing mechanism to allow the sharing of cost savings above an allowed return on equity level. Further, beginning October 1, 2005, we moved from a semi-annual filing process to an annual filing process. We also have WNA in Mississippi. This division's gas supply is delivered primarily by

Gulf South Pipeline Company, Tennessee Gas Pipeline Company, Southern Natural Gas Company, Texas Eastern Transmission, Texas Gas Transmission, LLC, Trunkline Gas Co. LLC and Enbridge Marketing, LP.

Atmos Energy West Texas Division. Our West Texas Division operates in Texas in three primary service areas: the Amarillo service area, the Lubbock service area and the West Texas service area. Similar to our Mid-Tex Division, the governing body of each municipality we serve has original jurisdiction over all utility rates, operations and services within its city limits, except with respect to sales of natural gas for vehicle fuel and agricultural use. We operate pursuant to non-exclusive franchises granted by the municipalities we serve, which are subject to renewal from time to time. The RRC has exclusive appellate jurisdiction over all rate and regulatory orders and ordinances of the municipalities and exclusive original jurisdiction over rates and services to customers not located within the limits of a municipality. We have WNA in each of our service areas. Our West Texas Division receives transportation service from ONEOK Pipeline. In addition, the West Texas Division purchases a significant portion of its natural gas supply from Pioneer Natural Resources, which is connected directly to our Amarillo, Texas, distribution system.

Natural Gas Marketing Segment

Our natural gas marketing and other nonutility segments, which are organized under Atmos Energy Holdings, Inc. (AEH), have operations in 22 states. Through September 30, 2003, Atmos Energy Marketing, LLC, together with its wholly-owned subsidiaries Woodward Marketing, L.L.C. and Trans Louisiana Industrial Gas Company, Inc., comprised our natural gas marketing segment. Effective October 1, 2003, our natural gas marketing segment was reorganized. The operations of Atmos Energy Marketing, L.L.C. and Trans Louisiana Industrial Gas Company, Inc. were merged into Woodward Marketing, L.L.C., which was renamed Atmos Energy Marketing, LLC (AEM).

AEM provides a variety of natural gas management services to municipalities, natural gas utility systems and industrial natural gas consumers primarily in the southeastern and midwestern states and to our Kentucky, Louisiana and Mid-States divisions. These services primarily consist of furnishing natural gas supplies at fixed and market-based prices, contract negotiation and administration, load forecasting, gas storage acquisition and management services, transportation services, peaking sales and balancing services, capacity utilization strategies and gas price management through the use of derivative products. We use proprietary and customer-owned transportation and storage assets to provide the various services our customers request. As a result, our revenues arise from the types of commercial transactions we have structured with our customers and include the value we extract by optimizing the storage and transportation capacity we own or control as well as revenues for services we deliver.

We participate in transactions in which we combine the natural gas commodity and transportation costs to minimize our costs incurred to serve our customers. Additionally, we participate in natural gas storage transactions in which we seek to capture the pricing differences that occur over time. We purchase physical natural gas and then sell financial contracts at favorable prices to lock in a gross profit margin. Through the use of transportation and storage services and derivatives, we are able to capture gross profit margin through the arbitrage of pricing differences in various locations and by recognizing pricing differences that occur over time.

AEM's management of natural gas requirements involves the sale of natural gas and the management of storage and transportation supplies under contracts with customers generally having one- to two-year terms. AEM also sells natural gas to some of its industrial customers on a delivered burner tip basis under contract terms from 30 days to two years. At September 30, 2006, AEM had a total of 679 industrial, 73 municipal and 289 other customers.

Pipeline and Storage Segment

Our pipeline and storage segment consists of the regulated pipeline and storage operations of the Atmos Pipeline – Texas Division and the nonregulated pipeline and storage operations of Atmos Pipeline and Storage,

LLC (APS). The Atmos Pipeline – Texas Division transports natural gas to our Mid-Tex Division, transports natural gas for third parties and manages five underground storage reservoirs in Texas. We also provide ancillary services customary in the pipeline industry including parking arrangements, lending and sales of inventory on hand. Parking arrangements provide short-term interruptible storage of gas on our pipeline and lending services provide short-term interruptible loans of natural gas from our pipeline to meet market demands. Both of these services are primarily offered on our Atmos Pipeline – Texas system. These operations represent one of the largest intrastate pipeline operations in Texas with a heavy concentration in the established natural gas-producing areas of central, northern and eastern Texas, extending into or near the major producing areas of the Texas Gulf Coast and the Delaware and Val Verde Basins of West Texas. Nine basins located in Texas are believed to contain a substantial portion of the nation's remaining onshore natural gas reserves. This pipeline system provides access to all of these basins.

APS owns or has an interest in underground storage fields in Kentucky and Louisiana. We also use these storage facilities to reduce the need to contract for additional pipeline capacity to meet customer demand during peak periods.

In May 2006, APS announced plans to form a joint venture with a local natural gas producer to construct a natural gas gathering system in Eastern Kentucky. Referred to as the Straight Creek Project, the new system is expected to relieve severe gas gathering and transportation constraints that historically have burdened natural gas producers in the area and should improve delivery reliability to natural gas customers. In October 2006, the Federal Energy Regulatory Commission (FERC) issued a declaratory order finding that the Straight Creek Project will be exempt from FERC jurisdiction. The joint venture provides APS the opportunity to apply its expertise to the upstream gathering business.

Other Nonutility Segment

Our other nonutility segment consists primarily of the operations of Atmos Energy Services, LLC (AES), and Atmos Power Systems, Inc. which are wholly-owned by our subsidiary, Atmos Energy Holdings, Inc. Through AES, we provide natural gas management services to our utility operations, other than the Mid-Tex Division. These services, which began in April 2004, include aggregating and purchasing gas supply, arranging transportation and storage logistics and ultimately delivering the gas to our utility service areas at competitive prices in exchange for revenues that are equal to the costs incurred to provide those services. Through Atmos Power Systems, Inc., we have constructed electric peaking power-generating plants and associated facilities and have entered into agreements to lease these plants.

Through January 2004, United Cities Propane Gas, Inc., a wholly-owned subsidiary of Atmos Energy Holdings, Inc., owned an approximate 19 percent membership interest in U.S. Propane, L.P. (USP), a joint venture formed in February 2000 with other utility companies to own a limited partnership interest in Heritage Propane Partners, L.P. (Heritage), a publicly-traded marketer of propane through a nationwide retail distribution network. During fiscal 2004, we sold our interest in USP and Heritage. As a result of these transactions, we no longer have an interest in the propane business.

Ratemaking Activity

Overview

The method of determining regulated rates varies among the states in which our natural gas utility divisions operate. The regulators have the responsibility of ensuring that utilities under their jurisdictions operate in the best interests of customers while providing utility companies the opportunity to earn a reasonable return on investment. Generally, each regulatory authority reviews our rate request and establishes a rate structure intended to generate revenue sufficient to cover our costs of doing business and provide a reasonable return on invested capital.

Rates established by regulatory authorities are adjusted for increases and decreases in our purchased gas cost through purchased gas adjustment mechanisms. Purchased gas adjustment mechanisms provide gas utility

companies a method of recovering purchased gas costs on an ongoing basis without filing a rate case to address all of the utility's non-gas costs. These mechanisms are commonly utilized when regulatory authorities recognize a particular type of expense, such as purchased gas costs, that (i) is subject to significant price fluctuations compared to the utility's other costs, (ii) represents a large component of the utility's cost of service and (iii) is generally outside the control of the gas utility. There is no gross profit generated through purchased gas adjustments because they provide a dollar-for-dollar offset to increases or decreases in utility gas costs. Although substantially all of our utility sales to our customers fluctuate with the cost of gas that we purchase, utility gross profit (which is defined as operating revenues less purchased gas cost) is generally not affected by fluctuations in the cost of gas due to the purchased gas adjustment mechanism. Additionally, some jurisdictions have introduced performance-based ratemaking adjustments to provide incentives to natural gas utilities to minimize purchased gas costs through improved storage management and use of financial hedges to lock in gas costs. Under the performance-based ratemaking adjustment, purchased gas costs savings are shared between the utility and its customers.

The following table summarizes some information regarding our ratemaking jurisdictions. This information is for regulatory purposes only and may not be representative of our actual financial position.

Jurisdictional Rate Summary

<u>Division</u>	<u>Jurisdiction</u>	<u>Effective Date of Last Rate Action</u>	<u>Rate Base (Thousands) ⁽¹⁾</u>	<u>Authorized Rate of Return ⁽¹⁾</u>	<u>Authorized Return on Equity ⁽¹⁾</u>
Atmos					
Pipeline —					
Texas	Texas	5/24/04	\$417,111	8.258%	10.00%
Colorado-Kansas	Colorado	7/1/05	84,711	8.95%	11.25%
	Kansas	3/1/04	(2)	(2)	(2)
Kentucky	Kentucky	12/21/99	(2)	(2)	(2)
Louisiana	Trans LA	10/1/04	81,645	9.14%	10.50% - 11.50%
	LGS	10/1/04	170,358	9.23%	10.88% - 11.50%
Mid-States	Georgia	12/20/05	62,380	7.57%	10.13%
	Illinois	11/1/00	24,564	9.18%	11.56%
	Iowa	3/1/01	5,000	(2)	11.00%
	Missouri	10/14/95	(2)	10.58%	12.15%
	Tennessee	11/15/95	111,970	(2)	(2)
	Virginia	8/1/04	30,672	8.46% - 8.96%	9.50% - 10.50%
Mid-Tex	Texas	5/24/04	769,721	8.258%	10.00%
Mississippi	Mississippi	1/1/05	196,801	8.23%	9.80%
West Texas	Amarillo	9/1/03	36,844	9.88%	12.00%
	Lubbock	3/1/04	43,300	9.15%	11.25%
	West Texas	5/1/04	87,500	8.77%	10.50%

See footnotes on following page.

Division	Jurisdiction	Effective Date of Last Rate Action	Authorized Debt/Equity Ratio	Bad Debt Rider ⁽⁵⁾	WNA	Performance-Based Rate Program ⁽³⁾
Atmos Pipeline – Texas	Texas	5/24/04	50/50	No	N/A	N/A
Colorado-Kansas	Colorado	7/1/05	52/48	No	No	No
	Kansas	3/1/04	(2)	Yes	Yes	No
Kentucky	Kentucky	12/21/99	(2)	No	Yes	Yes
Louisiana	Trans LA	10/1/04	50/50	No	(4)	No
	LGS	10/1/04	53/47	No	(4)	No
	Georgia	12/20/05	55/45	No	Yes	Yes
Mid-States	Illinois	11/1/00	67/33	No	No	No
	Iowa	3/1/01	57/43	No	No	No
	Missouri	10/14/95	(2)	No	No	No
	Tennessee	11/15/95	56/44	No	Yes	Yes
	Virginia	8/1/04	52/48	Yes	Yes	No
Mid-Tex	Texas	5/24/04	50/50	No	(4)	No
Mississippi	Mississippi	1/1/05	47/53	No	Yes	No
West Texas	Amarillo	9/1/03	50/50	Yes	Yes	No
	Lubbock	3/1/04	50/50	No	Yes	No
	West Texas	5/1/04	50/50	No	Yes	No

(1) The rate base and authorized rate of return presented in this table are the rate base and rate of return from the last base rate case for each jurisdiction. These rate bases and rates of return are not necessarily indicative of current or future rate bases or rates of return.

(2) A rate base, rate of return, return on equity or debt/equity ratio was not included in the respective state commission's final decision.

(3) The performance-based rate program provides incentives to natural gas utilities to minimize purchased gas costs by allowing the utility and its customers to share the purchased gas cost savings.

(4) During 2006, our Louisiana and Mid-Tex Divisions received authorization to implement WNA beginning in the 2006-2007 winter heating season.

(5) The bad debt rider allows us to recover from ratepayers the gas cost portion of uncollectible accounts.

Recent Ratemaking Activity

Our current rate strategy focuses on seeking rate designs that reduce or eliminate regulatory lag and separate the recovery of our approved margins from customer usage patterns due to weather-related variability, declining use per customer and energy conservation, also known as decoupling. Additionally, we are seeking to stratify rates for low income households and to recover the gas cost portion of our bad debt expense.

Improving rate design is a long-term process. In the interim, we are addressing regulatory lag issues by directing discretionary capital spending to jurisdictions that permit us to recover our investment in a timely manner and filing rate cases on a more frequent basis to minimize the regulatory lag to keep our actual returns more closely aligned with our allowed returns.

Approximately 97 percent of our utility revenues in the fiscal years ended September 30, 2006, 2005 and 2004 were derived from sales at rates set by or subject to approval by local or state authorities. Net annual revenue increases resulting from ratemaking activity totaling \$39.0 million, \$6.3 million and \$16.2 million became effective in fiscal 2006, 2005 and 2004 as summarized below:

Division	Most Recent Effective Date	Most Recent Rate Action	Jurisdiction	Increase (Decrease) to Revenue for the Year Ended September 30		
				2006	2005	2004
				(In thousands)		
Atmos Pipeline – Texas	8/1/06	GRIP ⁽¹⁾	Texas	\$ 5,205	\$1,802	\$ —
Colorado-Kansas	4/1/04	Show Cause	Colorado	—	—	(1,900)
	1/1/06	Ad Valorem Tax	Kansas	1,565	—	—
	3/1/04	Rate Case	Kansas	—	—	2,500
Louisiana	2/1/06	Stable Rate Filing ⁽²⁾	LGS	3,326	—	—
	10/1/04	Stable Rate Filing ⁽²⁾	LGS	—	225	—
Mid-States	8/1/04	Rate Case	Virginia	—	—	372
	12/20/05	Rate Case	Georgia	409	—	—
Mid-Tex	2/1/06	GRIP ⁽¹⁾	Texas	25,313	—	—
Mississippi	(3)	Stable Rate Filing ⁽²⁾	Mississippi	—	4,300	10,545
	11/1/05	Rate Restructuring	Mississippi	(600)	—	—
West Texas	12/1/05	GRIP ⁽¹⁾	Lubbock	1,263	—	—
	3/1/04	Rate Case	Lubbock	—	—	1,525
	3/1/06	GRIP ⁽¹⁾	West Texas	2,539	—	—
	5/1/04	Rate Case	West Texas	—	—	3,200
				<u>\$39,020</u>	<u>\$6,327</u>	<u>\$16,242</u>

- (1) In 2003, the Texas Legislature approved the Gas Reliability Infrastructure Program (GRIP) which allows natural gas utilities the opportunity to include in their rate base annually approved capital costs incurred in the prior calendar year. Natural gas utilities that enter the program will be required to file a complete rate case at least once every five years.
- (2) A stable rate filing is a regulatory mechanism designed to allow us to refresh our rates on a periodic basis without filing a formal rate case.
- (3) The MPSC had formerly required that we file for rate adjustments every six months. Through May 2005, rate filings were made in May and November of each year and the rate adjustments typically became effective in June and December. See further discussion under the recent ratemaking activity for our Mississippi Division below.

Additionally, the following ratemaking efforts were initiated during fiscal 2006 but had not been completed as of September 30, 2006:

<u>Division</u>	<u>Rate Action</u>	<u>Jurisdiction</u>	<u>Revenue Requested</u> (in thousands)
	Stable Rate Filing		
Louisiana	(1)	LGS	\$10,753
Mid-States	Rate Case	Missouri	3,396
	Rate Proceeding (2)	Tennessee	3,400
Mid-Tex	System-Wide Case	Texas	<u>60,844</u>
			<u>\$78,393</u>

(1) The Louisiana Division has included the rate stabilization clause increase in rates. The increase is subject to refund, pending final resolution of the stable rate filing.

(2) The Tennessee rate proceeding was settled in October 2006. See below for information regarding the settlement.

Our recent ratemaking activity is discussed in greater detail below.

Atmos Pipeline-Texas. In April 2006, Atmos Pipeline-Texas made a filing under Texas' Gas Reliability Infrastructure Program (GRIP) to include in rate base approximately \$21.6 million of pipeline capital expenditures incurred during calendar year 2005, which should result in additional annual revenues of approximately \$3.3 million. The RRC approved this filing in July 2006 and these new charges were included in the monthly customer charge beginning in August 2006.

In September 2005, Atmos Pipeline-Texas made a GRIP filing to include in rate base approximately \$10.6 million of pipeline capital expenditures incurred during calendar year 2004, which resulted in approximately \$1.9 million in additional annual revenue. In December 2004, Atmos Pipeline-Texas made a GRIP filing to include in rate base approximately \$12.0 million of pipeline capital expenditures made by TXU Gas during calendar year 2003, which resulted in additional annual revenues of approximately \$1.8 million.

Atmos Energy Colorado-Kansas Division. In December 2005, the Colorado-Kansas Division filed its second annual ad valorem tax surcharge for \$1.6 million. The surcharge is designed to collect Kansas property taxes in excess of the amount in the Colorado-Kansas Division's most recent general rate case. We began to bill this surcharge in January 2006.

In July 2004, the Colorado Public Utility Commission ordered us to issue a one-time credit to our Colorado customers of \$1.9 million. The agreement was a result of an inquiry by the Colorado Office of Consumer Counsel related to our earnings in Colorado. The staff of the Colorado Public Utility Commission was also a party to the agreement.

In May 2003, the Colorado-Kansas Division filed a rate case with the Kansas Corporation Commission for approximately \$7.4 million in additional annual revenues. In January 2004, the Kansas Corporation Commission approved an agreement that allowed a \$2.5 million increase in our rates effective March 2004. Additionally, the agreement allowed us to increase our monthly customer charges from \$5 to \$8, provided that we would not file another full rate application prior to September 2005. WNA became effective in Kansas in October 2003 in accordance with the Kansas Corporation Commission's ruling in May 2003.

Atmos Energy Kentucky Division. In February 2006, the KPSC approved our request to continue our Performance Based Ratemaking (PBR) mechanism for an additional five year period. The PBR establishes predetermined gas cost benchmarks and provides incentives to us for purchasing gas supply below those benchmark costs.

In February 2005, the Attorney General of the State of Kentucky filed a complaint with the Kentucky Public Service Commission (KPSC) alleging that our rates were producing revenues in excess of reasonable levels. We answered the complaint and filed a motion to dismiss with the KPSC. In February 2006, the KPSC

issued an order denying our motion to dismiss but stated that the Attorney General had not met his burden of proof concerning his complaint. In March 2006, the KPSC set a procedural schedule for the case. The Attorney General is currently conducting discovery. A hearing should be scheduled for early 2007. We believe that the Attorney General will not be able to demonstrate that our present rates are in excess of reasonable levels.

Atmos Energy Louisiana Division. In September 2005, the Louisiana Public Service Commission (LPSC) consolidated several then-existing dockets. These dockets included a separate proceeding for the renewal of the Rate Stabilization Clause (RSC) for each of the LGS and TransLa Gas service areas; resolution of the outstanding 2003 RSC filing for the LGS service area; and our request for approval of a decoupling mechanism to stabilize margins in both the LGS and TransLa service areas.

On May 25, 2006, the LPSC voted to approve a settlement which included a modified WNA providing for partial decoupling, renewal of the RSC for both the LGS and TransLa service areas with provisions that will reduce regulatory lag and a refund to customers of approximately \$0.4 million for the LGS service areas that previously had been deferred. The first RSC filing was in August 2006 for approximately \$10.8 million, based on a test year ended December 31, 2005, for the LGS service area. The increase is subject to refund, pending final approval by the LPSC. The first filing for the TransLa service area will be made by December 31, 2006, for the test period ending September 30, 2006, with an effective rate adjustment of April 1, 2007. WNA for both service areas will be in effect for an initial three-year period beginning with the winter of 2006-2007. In the third quarter of fiscal 2006, \$6.2 million in deferred revenue associated with the 2003 RSC rate adjustment was recognized.

On August 29, 2005, Hurricane Katrina struck the Gulf Coast, inflicting significant damage to our eastern Louisiana operations. The hardest hit areas in our service territory were in Jefferson, St. Tammany, St. Bernard and Plaquemines parishes. Although service has been restored for many of our customers, a significant number of customers will not require gas service for some time, if ever, because of sustained damages. We began implementing new rates, subject to refund, in September 2006 that reflected the reduction of approximately 26,500 customers and included a request to recover costs attributable to Hurricane Katrina. We cannot accurately determine what regulatory actions, if any, may be taken by the regulators with respect to this filing or our ability to fully recover all costs incurred as a result of the storm.

During the second quarter of 2005, the Louisiana Division implemented a rate increase of \$3.3 million in its LGS service area. This increase resulted from our RSC filing in 2004 and was subject to refund, pending the final resolution of that filing. As the rate increase was subject to refund, we did not recognize the effects of this increase in our results of operations during fiscal 2005 or the first three quarters of fiscal 2006.

During fiscal 2004, the Louisiana Public Service Commission approved tariff revisions for our LGS service area totaling \$0.2 million that became effective in October 2004.

In October 2002, Atmos received written notification from the Executive Secretary of the LPSC asserting that a monthly facilities fee of approximately \$0.6 million charged since July 2001 to Atmos by Trans Louisiana Gas Pipeline, Inc., a wholly-owned subsidiary of Atmos, pursuant to a contract between the parties, was excessive. The Executive Secretary asserted that all monthly facilities fees in excess of approximately \$0.1 million from July 2001 should be refunded to ratepayers with interest. In October 2003, the LPSC unanimously voted to approve an agreement to allow us to charge a facilities fee of approximately \$0.5 million per month (subject to future escalation) beginning November 2003 for a period of 14 years. No retroactive adjustments were required under this agreement.

Atmos Energy Mid-States Division. In April 2006, we filed a rate case in our Missouri service area seeking a rate increase of \$3.4 million. We are proposing to consolidate the rates for our Missouri properties into three sets of regional rates and consolidate the current purchased gas adjustment (PGA) into one statewide PGA. We are also proposing a WNA mechanism. An evidentiary hearing was completed on December 5, 2006, with an order expected to be issued in March 2007.

In March 2006, we received notification from the Tennessee Regulatory Authority (TRA) that it disagreed with the way we calculated amounts under its performance-based rate mechanism, which resulted in a one-time \$3.3 million income reduction during the second quarter of fiscal 2006. We believe the original calculations were correct and have appealed the TRA's decision.

During the third quarter of fiscal 2005, we filed a rate case in our Georgia service area seeking a rate increase of \$4.0 million. In December 2005, the Georgia Public Service Commission (GPSC) approved a \$0.4 million increase. In January 2006, we filed an appeal of the GPSC's decision in the Superior Court of Fulton County. Oral arguments were held on September 7, 2006 before the Fulton County Superior Court. The court affirmed the commission's order. We are considering further appeal.

In November 2005, we received a notice from the TRA that it was opening an investigation into allegations by the Consumer Advocate and Protection Division of the Tennessee Attorney General's Office that we were overcharging customers in parts of Tennessee by approximately \$10 million per year. We responded to numerous data requests from the TRA Staff. In April 2006, the TRA Staff filed a Report and Recommendation in which it recommended that the TRA convene a contested case procedure for the purpose of establishing a fair and reasonable return. The TRA convened to consider the Staff's recommendation on May 15, 2006 and set a procedural schedule. A hearing was held from August 29, 2006 through August 31, 2006. Of the \$10 million rate reduction requested by the Consumer Advocate and Protection Division, the TRA approved on October 27, 2006 a \$6.1 million reduction to future rates.

In February 2004, the Mid-States Division filed a rate case with the Virginia Corporation Commission (VCC) to request a \$1.0 million increase in our base rates, WNA and recovery of the gas cost component of bad debt expense. The VCC granted a rate increase in November 2004 of \$0.4 million that was retroactively effective to July 27, 2004. Additionally, the VCC authorized WNA beginning in July 2005 and the ability to recover the gas cost component of bad debt expense.

Atmos Energy Mid-Tex Division. The following is a discussion of our recent ratemaking activity for our Mid-Tex Division.

Rate Case. During fiscal 2006, we received "show cause" resolutions from approximately 80 cities served by our Mid-Tex Division, including the City of Dallas, which require us to demonstrate that existing distribution rates in the Mid-Tex Division are just and reasonable. In May 2006, in response to these resolutions, we filed a Statement of Intent to increase rates on a division-wide basis. By agreement with the cities, the "show cause" resolutions were consolidated and became part of the Mid-Tex Division's first rate case before the RRC since we acquired the TXU Gas operations in October 2004. In this rate proceeding, we are seeking incremental annual revenues in the Mid-Tex Division of approximately \$60 million and several rate design changes, including WNA, revenue stabilization and recovery of the gas cost component of bad debt expense.

In exchange for an agreement to provide the intervening parties in the proceeding additional time to prepare for the hearing, we obtained agreement from the intervenors to implement WNA in the rates for the Mid-Tex Division for the 2006-2007 winter season, which has been approved by the RRC, and to implement WNA in the final rates in this proceeding. The hearing in this proceeding was concluded on November 17, 2006, and a decision is due from the RRC no later than April 2007. During the hearing, the principal issues raised by the cities included the Mid-Tex Division's rate of return, the reduction of rate base for the accumulated deferred federal income taxes and investment tax credits associated with the TXU Gas operations prior to our acquisition, the methodology used by us to allocate certain shared services expenses to the division and the inclusion of certain items in operation and maintenance expenses.

In addition, under applicable statutes, the RRC is reviewing the interim rate adjustments that were previously granted in response to the Mid-Tex Division's prior GRIP filings and our acquisition of the TXU Gas operations for consistency with the public interest. Any increase that the RRC may grant in this case would be effective prospectively from the date of the final order. However, any decrease that may be ordered by the RRC would be effective from May 31, 2006 pursuant to the agreement with the intervenors for

consolidation of the show cause resolutions and the Statement of Intent filing. Any disallowance related to the previously granted GRIP interim rate adjustments would be refunded to customers with interest beginning some time after the issuance of a final order in this proceeding.

While the decision of the RRC in this case cannot be predicted with certainty, we believe that we have adequately demonstrated to the RRC that the Mid-Tex Division is entitled to receive an increase in annual revenues and that the remaining rate design changes should be implemented.

GRIP Filings. In March 2006, the Mid-Tex Division made a GRIP filing to include in rate base approximately \$62.2 million of distribution capital expenditures incurred during calendar year 2005, which we estimate would result in additional annual revenues of approximately \$11.9 million. The RRC approved this filing in August 2006, and the new customer charges were implemented in September 2006 billings to customers.

In September 2005, the Mid-Tex Division made a GRIP filing to include in rate base approximately \$29.4 million of distribution capital expenditures incurred during calendar year 2004, which currently provides additional annual revenues of approximately \$6.7 million. The RRC approved this filing in January 2006, and these new charges were included in the monthly customer charge beginning in February 2006.

In December 2004, the Mid-Tex Division made a GRIP filing to include in rate base approximately \$32.0 million of distribution capital expenditures made by TXU Gas during calendar year 2003, which currently provides additional annual revenues of approximately \$6.7 million. New monthly customer charges were implemented in October 2005.

Other Regulatory Matters. In September 2006, the Mid-Tex Division filed its annual gas cost reconciliation with the RRC. The filing reflects approximately \$24 million in refunds of amounts that were overcollected from customers between July 2005 and June 2006. The Mid-Tex Division has requested and received approval to refund these amounts over a six-month period beginning in November 2006.

In September 2004, the Mid-Tex Division filed its 36-Month Gas Contract Review with the RRC. This proceeding involves a review for reasonableness of gas purchases totaling \$2.2 billion made by the Mid-Tex Division from November 2000 through October 2003. A hearing on this matter was held before the RRC in June 2005. The parties negotiated a unanimous settlement agreement providing for a refund of \$8 million to customers over a three-year period and for reimbursement of parties' expenses without recovery from customers. The RRC approved the settlement on September 12, 2006. Refunds to customers began in the first quarter of fiscal year 2007.

The Mid-Tex Division is also pursuing an appeal to the Travis County District Court of the Final Order in its last system-wide rate case completed in May 2004 to obtain a return of and on its investment associated with the Poly I replacement pipe that was originally disallowed in its rate case completed in May 2004. The case was argued before the Travis County District Court in July 2006. The Court ruled to uphold the Commission's final order. Steps are being taken to perfect an appeal to the Court of Appeals in Travis County.

Atmos Energy Mississippi Division. Through the first quarter of fiscal 2005, the MPSC required that we file for rate adjustments every six months. Rate filings were made in May and November of each year and the rate adjustments typically became effective in the following July and January.

During the second quarter of fiscal 2005, we agreed with the MPSC to suspend our May 2005 semi-annual filing to allow sufficient time for us and the MPSC to undertake a comprehensive review in an effort to improve our rate design and the ratemaking process. Effective October 2005, our rate design was modified to substitute the original agreed-upon benchmark with a sharing mechanism to allow the sharing of cost savings above an allowed return on equity level. Further, we moved from a semi-annual filing process to an annual filing process. Additionally, our WNA period begins on November 1 instead of November 15, and ends on April 30 instead of May 15. Also, we now have a fixed monthly customer base charge which makes a portion of our earnings less susceptible to usage. As part of the rate design restructuring, we agreed to reduce

our rates by approximately \$0.6 million. We made our first annual filing under this new structure in September 2006 requesting no change in rates.

In September 2004, the MPSC originally disallowed certain deferred costs totaling \$2.8 million. In connection with the modification of our rate design described above, the MPSC decided to allow these costs, and we included these costs in our rates in October 2005.

In June 2006, the MPSC approved a pilot program whereby Trans Louisiana Gas Pipeline (TLGP) will provide asset management services to the Mississippi Division. The asset management program allows TLGP to market certain off-peak gas supply assets, such as company-owned or leased storage and pipeline capacity, on a recallable basis. In return, TLGP will share net positive benefits of the asset management program with Mississippi ratepayers. The pilot program runs from June 1, 2006 to April 30, 2007 and may be extended by the MPSC upon application by Atmos.

In October 2003, the MPSC issued a final order that denied our May 2003 request for a rate increase of \$5.8 million. In January 2004, the MPSC authorized additional annual revenue of \$5.9 million on our November 2003 filing, which became effective in December 2003. In September 2004, the MPSC authorized additional annualized revenue of \$4.7 million on our May 2004 filing, which became effective in June 2004.

We filed our second semiannual filing for 2004 in November 2004, requesting rate adjustments of \$6.0 million in annualized revenue. The MPSC allowed us to include \$3.0 million in annualized revenue in our rates effective January 2005. In February 2005, we entered into an agreement with the Mississippi Public Utilities Staff that provides for an additional \$1.3 million in annualized revenue that was retroactive to January 2005, which was approved by the MPSC during the second quarter of fiscal 2005.

Atmos Energy West Texas Division. In September 2005, the West Texas Division made a GRIP filing to include in rate base approximately \$22.6 million of distribution capital costs incurred during calendar year 2004, which should result in additional annual revenues of approximately \$3.8 million. Of this amount, approximately \$1.3 million related to our Lubbock jurisdiction and the remaining \$2.5 million related to our West Texas jurisdiction. New charges for the filings were included in the monthly customer charge beginning May 2006. Atmos made its 2005 GRIP filings for the West Texas Division and the Lubbock Division in September 2006 requesting no change in rates.

In January 2006, the Lubbock, Texas City Council passed a resolution requiring us to submit copies of all documentation necessary for the city to review the rates of our West Texas Division to ensure they are just and reasonable. The requested information was provided to the city on February 28, 2006. We believe that we will be able to ultimately demonstrate to the City of Lubbock that our rates are just and reasonable.

In May 2006, we began receiving "show cause" ordinances from several of the cities in the West Texas Division. We made a filing in response to the ordinances on October 2, 2006. We believe that we will be able to ultimately demonstrate to the West Texas cities that our rates are just and reasonable.

In October 2003, our West Texas Division filed a rate case in Lubbock requesting a \$3.0 million increase in annual revenues and WNA for our residential, commercial and public-authority customers. The City of Lubbock approved a \$1.5 million increase effective March 2004, as well as the proposed WNA.

In September 2003, our West Texas Division filed a rate case in its West Texas System to request a \$7.7 million increase in annual revenues and WNA for its residential, commercial and public-authority customers. In May 2004, the 66 cities in its West Texas System approved an increase of \$3.2 million in our annual utility revenues. The cities also approved a WNA rider for residential, commercial, public-authority and state-institution customers. This rider became effective in October 2004.

Other Regulation

Each of our utility divisions is regulated by various state or local public utility authorities. We are also subject to regulation by the United States Department of Transportation with respect to safety requirements in

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the operation and maintenance of our gas distribution facilities. Our distribution operations are also subject to various state and federal laws regulating environmental matters. From time to time we receive inquiries regarding various environmental matters. We believe that our properties and operations substantially comply with and are operated in substantial conformity with applicable safety and environmental statutes and regulations. There are no administrative or judicial proceedings arising under environmental quality statutes pending or known to be contemplated by governmental agencies which would have a material adverse effect on us or our operations. Our environmental claims have arisen primarily from former manufactured gas plant sites in Tennessee, Iowa and Missouri. See Note 13 to our consolidated financial statements included in our annual report on Form 10-K for the year ended September 30, 2006, which is incorporated by reference in this prospectus supplement and the accompanying prospectus.

FERC allows, pursuant to Section 311 of the Natural Gas Policy Act, gas transportation services through our Atmos Pipeline — Texas assets “on behalf of” interstate pipelines or local distribution companies served by interstate pipelines, without subjecting these assets to the jurisdiction of the FERC.

Competition

Although our utility operations are not currently in significant direct competition with any other distributors of natural gas to residential and commercial customers within our service areas, we do compete with other natural gas suppliers and suppliers of alternative fuels for sales to industrial and agricultural customers. We compete in all aspects of our business with alternative energy sources, including, in particular, electricity. Electric utilities offer electricity as a rival energy source and compete for the space heating, water heating and cooking markets. Promotional incentives, improved equipment efficiencies and promotional rates all contribute to the acceptability of electrical equipment. The principal means to compete against alternative fuels is lower prices, and natural gas historically has maintained its price advantage in the residential, commercial and industrial markets. However, higher gas prices, coupled with the electric utilities’ marketing efforts, have increased competition for residential and commercial customers. In addition, our Natural Gas Marketing segment competes with other natural gas brokers in obtaining natural gas supplies for our customers.

Distribution, Transmission and Related Assets

At September 30, 2006, our utility segment owned an aggregate of 75,869 miles of underground distribution and transmission mains throughout our gas distribution systems. These mains are located on easements or rights-of-way which generally provide for perpetual use. We maintain our mains through a program of continuous inspection and repair and believe that our system of mains is in good condition. At September 30, 2006, our pipeline and storage segment owned 6,127 miles of gas transmission and gathering lines.

Our utility segment also holds franchises granted by the incorporated cities and towns that we serve. At September 30, 2006, we held 1,103 franchises having terms generally ranging from five to 35 years. A significant number of our franchises expire each year, which require renewal prior to the end of their terms. We believe that we will be able to renew our franchises as they expire.

Storage Assets

Our utility and pipeline and storage segments own underground gas storage facilities in several states to supplement the supply of natural gas in periods of peak demand. The underground gas storage facilities of our utility segment have a total usable capacity of 10,076,329 Mcf, with a maximum daily delivery capability of 242,100 Mcf. The underground gas storage facilities of our pipeline and storage segment have a total usable capacity of 43,059,958 Mcf, with a maximum daily delivery capability of 1,362,000 Mcf.

Additionally, we contract for storage service in underground storage facilities on many of the interstate pipelines serving us to supplement our proprietary storage capacity. Our contracted storage provides us with a maximum storage quantity of 27,372,082 MMBtu, with a maximum daily withdrawal quantity of 776,415 MMBtu, for our utility segment other than our Mid-Tex Division and a maximum storage quantity of 10,786,846 MMBtu, with a maximum daily quantity of 297,675 MMBtu, for our natural gas marketing and our storage and pipeline segments. Maximum daily withdrawal amounts fluctuate depending upon the season and the month. The foregoing amounts represent maximum daily withdrawal quantities as of November 1, which is the beginning of the heating season.

For more information on our storage assets see "Item 2. Properties" in our annual report on Form 10-K for year ended September 30, 2006.

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UNDERWRITING

Lehman Brothers Inc. and Goldman, Sachs & Co. are acting as joint book-running managers and representatives of the underwriters named below. Under the terms of an underwriting agreement, which we will file as an exhibit to our current report on Form 8-K and will be incorporated by reference in this prospectus supplement and the accompanying prospectus, each of the underwriters named below has severally agreed to purchase from us the respective number of common stock shown opposite its name below:

<u>Underwriters</u>	<u>Number of Shares</u>
Lehman Brothers Inc.	1,650,000
Goldman, Sachs & Co.	1,650,000
Banc of America Securities LLC	440,000
J.P. Morgan Securities Inc.	440,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	440,000
SunTrust Capital Markets, Inc.	440,000
Wachovia Capital Markets, LLC	440,000
Total	<u>5,500,000</u>

The underwriting agreement provides that the underwriters' obligation to purchase shares of common stock depends on the satisfaction of the conditions contained in the underwriting agreement including:

- the obligation to purchase all of the shares of common stock offered hereby (other than those shares of common stock covered by their option to purchase additional shares as described below), if any of the shares are purchased;
- the representations and warranties made by us to the underwriters are true;
- there is no material change in our business or in the financial markets; and
- we deliver customary closing documents to the underwriters.

Commissions and Expenses

The following table summarizes the underwriting discounts and commissions we will pay to the underwriters. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares. The underwriting fee is the difference between the initial price to the public and the amount the underwriters pay to us for the shares.

	<u>No Exercise</u>	<u>Full Exercise</u>
Per share	\$ 1.1025	\$ 1.1025
Total	\$6,063,750	\$6,973,313

The representatives of the underwriters have advised us that the underwriters propose to offer the shares of common stock directly to the public at the public offering price on the cover of this prospectus supplement and to selected dealers, which may include the underwriters, at such offering price less a selling concession not in excess of \$0.6625 per share. After the offering, the representatives may change the offering price and other selling terms.

The expenses of the offering that are payable by us are estimated to be \$400,000 (excluding underwriting discounts and commissions).

Option to Purchase Additional Shares

We have granted the underwriters an option exercisable for 30 days after the date of the underwriting agreement, to purchase, from time to time, in whole or in part, up to an aggregate of 825,000 shares at the public offering price less underwriting discounts and commissions. This option may be exercised if the underwriters sell more than 5,500,000 shares in connection with this offering. To the extent that this option is exercised, each underwriter will be obligated, subject to certain conditions, to purchase its pro rata portion of these additional shares based on the underwriter's percentage underwriting commitment in the offering as indicated in the table at the beginning of this Underwriting Section.

Lock-Up Agreements

We, all of our directors and executive officers have agreed that, subject to certain exceptions, without the prior written consent of each of Lehman Brothers Inc. and Goldman, Sachs & Co., for a period of 90 days commencing on the date of this prospectus supplement, we and they will not (1) directly or indirectly offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock or file any registration statement under the Securities Act with respect to any of the foregoing or (2) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the common stock, whether any such swap or transaction described in clause (1) or (2) above is to be settled by delivery of common stock or such other securities, in cash or otherwise.

The 90-day restricted period described in the preceding paragraph will be extended if:

- during the last 17 days of the 90-day restricted period, we issue an earnings release or material news or a material event relating to us occurs; or
- prior to the expiration of the 90-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 90-day period;

in which case the restrictions described in the preceding paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the announcement of the material news or the occurrence of a material event, unless such extension is waived in writing by Lehman Brothers Inc. and Goldman, Sachs & Co.

Lehman Brothers Inc. and Goldman, Sachs & Co., in their sole discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time with or without notice. When determining whether or not to release common stock and other securities from lock-up agreements, Lehman Brothers Inc. and Goldman, Sachs & Co. will consider, among other factors, the holder's reasons for requesting the release, the number of shares of common stock and other securities for which the release is being requested and market conditions at the time.

Indemnification

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, and to contribute to payments that the underwriters may be required to make for these liabilities.

Stabilization, Short Positions and Penalty Bids

The representatives may engage in stabilizing transactions, short sales and purchases to cover positions created by short sales, and penalty bids or purchases for the purpose of pegging, fixing or maintaining the price of the common stock, in accordance with Regulation M under the Securities Exchange Act of 1934:

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- A short position involves a sale by the underwriters of shares in excess of the number of shares the underwriters are obligated to purchase in the offering, which creates the syndicate short position. This short position may be either a covered short position or a naked short position. In a covered short position, the number of shares involved in the sales made by the underwriters in excess of the number of shares they are obligated to purchase is not greater than the number of shares that they may purchase by exercising their option to purchase additional shares. In a naked short position, the number of shares involved is greater than the number of shares in their option to purchase additional shares. The underwriters may close out any short position by either exercising their option to purchase additional shares and/or purchasing shares in the open market. In determining the source of shares to close out the short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through their option to purchase additional shares. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.
- Syndicate covering transactions involve purchases of the common stock in the open market after the distribution has been completed in order to cover syndicate short positions.
- Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the common stock originally sold by the syndicate member is purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of the common stock. As a result, the price of the common stock may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the New York Stock Exchange or otherwise and, if commenced, may be discontinued at any time.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the common stock. In addition, neither we nor any of the underwriters make representation that the representatives will engage in these stabilizing transactions or that any transaction, once commenced, will not be discontinued without notice.

Electronic Distribution

A prospectus in electronic format may be made available on the Internet sites or through other online services maintained by one or more of the underwriters and/or selling group members participating in this offering, or by their affiliates. In those cases, prospective investors may view offering terms online and, depending upon the particular underwriter or selling group member, prospective investors may be allowed to place orders online. The underwriters may agree with us to allocate a specific number of shares for sale to online brokerage account holders. Any such allocation for online distributions will be made by the representatives on the same basis as other allocations.

Other than the prospectus in electronic format, the information on any underwriter's or selling group member's web site and any information contained in any other web site maintained by an underwriter or selling group member is not part of the prospectus or the registration statement of which this prospectus supplement and the accompanying prospectus forms a part, has not been approved and/or endorsed by us or

any underwriter or selling group member in its capacity as underwriter or selling group member and should not be relied upon by investors.

Stamp Taxes

If you purchase shares of common stock offered in this prospectus supplement and the accompanying prospectus, you may be required to pay stamp taxes and other charges under the laws and practices of the country of purchase, in addition to the offering price listed on the cover page of this prospectus supplement and the accompanying prospectus.

Relationships

Certain of the underwriters and their related entities have engaged and may engage in commercial and investment banking transactions with us in the ordinary course of their business. They have received customary compensation and expenses for these commercial and investment banking transactions.

Notice to Prospective Investors

European Economic Area. In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a Relevant Member State), each underwriter has agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of common stock to the public in that Relevant Member State prior to the publication of a prospectus in relation to the common stock which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of common stock to the public in that Relevant Member State at any time (a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities; (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or (c) in any other circumstances which do not require the publication by us of a prospectus pursuant to Article 3 of the Prospectus Directive. For the purposes of this provision, the expression an “offer of common stock to the public” in relation to any common stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the common stock to be offered so as to enable an investor to decide to purchase the common stock, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom. Each underwriter agrees that (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell the common stock other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the common stock would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (FSMA) by us; (iii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the common stock in circumstances in which Section 21(1) of the FSMA does not apply to us; and (iv) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the common stock in, from or otherwise involving the United Kingdom.

Hong Kong. The common stock may not be offered or sold by means of any document other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no advertisement, invitation or document relating to the common stock may be issued, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

Japan. The common stock has not been and will not be registered under the Securities and Exchange Law of Japan (the Securities and Exchange Law) and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore. This prospectus supplement and the accompanying prospectus have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement and the accompanying prospectus and any other document or material in connection with the offer or sale, or invitation for purchase, of the common stock may not be circulated or distributed, nor may the common stock be offered or sold, or be made the subject of an invitation for purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (SFA), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Where the common stock is purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the common stock under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

LEGAL MATTERS

Gibson, Dunn & Crutcher LLP, Dallas, Texas, and Hunton & Williams LLP, Richmond, Virginia, will opine for us as to the validity of the offered shares. Shearman & Sterling LLP, New York, New York, will pass upon certain legal matters related to the offered shares for the underwriters.

EXPERTS

The consolidated financial statements of Atmos Energy Corporation appearing in Atmos Energy Corporation's Annual Report (Form 10-K) for the year ended September 30, 2006 and Atmos Energy Corporation management's assessment of the effectiveness of internal control over financial reporting as of September 30, 2006 included therein have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon included therein, and incorporated herein by reference. Such consolidated financial statements and management's assessment have been incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

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PROSPECTUS



Atmos Energy Corporation

By this prospectus, we offer up to
\$900,000,000
of debt securities and common stock.

We will provide specific terms of these securities in supplements to this prospectus. This prospectus may not be used to sell securities unless accompanied by a prospectus supplement. You should read this prospectus and the applicable prospectus supplement carefully before you invest.

Investing in these securities involves risks that are described in the "Risk Factors" section beginning on page 1 of this prospectus.

Our common stock is listed on the New York Stock Exchange under the symbol "ATO."

Our address is 1800 Three Lincoln Centre, 5430 LBJ Freeway, Dallas, Texas 75240, and our telephone number is (972) 934-9227.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This prospectus is dated December 4, 2006

We have not authorized any other person to provide you with any information or to make any representations that is different from, or in addition to, the information and representations contained in this prospectus or in any of the documents that are incorporated by reference in this prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this prospectus, as well as the information contained in any document incorporated by reference, is accurate as of the date of each such document only, unless the information specifically indicates that another date applies.

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The distribution of this prospectus may be restricted by law in certain jurisdictions. You should inform yourself about and observe any of these restrictions. This prospectus does not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which the offer or solicitation is not authorized, or in which the person making the offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make the offer or solicitation.

The terms "we," "our," "us" and "Atmos" refer to Atmos Energy Corporation and its subsidiaries unless the context suggests otherwise. The term "you" refers to a prospective investor.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Statements contained or incorporated by reference in this prospectus that are not statements of historical fact are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933. Forward-looking statements are based on management’s beliefs as well as assumptions made by, and information currently available to, management. Because such statements are based on expectations as to future results and are not statements of fact, actual results may differ materially from those stated. Important factors that could cause future results to differ include, but are not limited to:

- regulatory trends and decisions, including deregulation initiatives and the impact of rate proceedings before various state regulatory commissions;
- adverse weather conditions, such as warmer-than-normal weather in our utility service territories or colder-than-normal weather that could adversely affect our natural gas marketing activities;
- the concentration of our distribution, pipeline and storage operations in one state;
- impact of environmental regulations on our business;
- market risks beyond our control affecting our risk management activities, including market liquidity, commodity price volatility, increasing interest rates and counterparty creditworthiness;
- our ability to continue to access the capital markets;
- effects of inflation;
- effects of changes in the availability and prices of natural gas, including the volatility of natural gas prices;
- increased competition from other energy suppliers and alternative forms of energy;
- increased costs of providing pension and post-retirement health care benefits;
- the capital-intensive nature of our distribution business;
- the inherent hazards and risks involved in operating a distribution business;
- effects of natural disasters or terrorist activities; and
- other factors discussed in this prospectus and our other filings with the SEC.

All of these factors are difficult to predict and many are beyond our control. Accordingly, while we believe these forward-looking statements to be reasonable, there can be no assurance that they will approximate actual experience or that the expectations derived from them will be realized. When used in our documents or oral presentations, the words “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “goal,” “intend,” “objective,” “plan,” “projection,” “seek,” “strategy” or similar words are intended to identify forward-looking statements. We undertake no obligation to update or revise our forward-looking statements, whether as a result of new information, future events or otherwise.

For factors you should consider, please refer to “Risk Factors” beginning on page 1 of this prospectus and “Item 1A. Risk Factors” and “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our annual report on Form 10-K for the year ended September 30, 2006 and the other documents incorporated herein by reference, as well as any applicable prospectus supplements.

RISK FACTORS

You should consider carefully all of the information that is included or incorporated by reference in this prospectus before investing in our debt securities or our common stock. In particular, you should evaluate the uncertainties and risks referred to or described below, which may adversely affect our business, financial condition or results of operations. Additional uncertainties and risks that are not presently known to us or that we currently deem immaterial may also adversely affect our business, financial condition or results of operations. Additional risk factors may be included in a prospectus supplement relating to a particular offering of securities.

We are subject to regulation by each state in which we operate that affect our operations and financial results.

Our natural gas utility business is subject to various regulated returns on its rate base in each of the 12 states in which we operate. We monitor the allowed rates of return and our effectiveness in earning such rates and initiate rate proceedings or operating changes as we believe are needed. In addition, in the normal course of the regulatory environment, assets may be placed in service and historical test periods established before rate cases that could adjust our returns can be filed. Once rate cases are filed, regulatory bodies have the authority to suspend implementation of the new rates while studying the cases. Because of this process, we must suffer the negative financial effects of having placed assets in service without the benefit of rate relief, which is commonly referred to as "regulatory lag". In addition, rate cases involve a risk of rate reduction, and once rates have been approved, they are still subject to challenge for their reasonableness by appropriate regulatory authorities. Our debt and equity financings are also subject to approval by regulatory bodies in several states which could limit our ability to take advantage of favorable market conditions.

Our business could also be affected by deregulation initiatives, including the development of unbundling initiatives in the natural gas industry. Unbundling is the separation of the provision and pricing of local distribution gas services into discrete components. It typically focuses on the separation of the distribution and gas supply components and the resulting opening of the regulated components of sales services to alternative unregulated suppliers of those services. Although we believe that our enhanced technology and distribution system infrastructures have positively positioned us, we cannot provide assurance that there would be no significant adverse effect on our business should unbundling or further deregulation of the natural gas distribution service business occur.

Our operations are weather sensitive.

Our natural gas utility sales volumes and related revenues are correlated with heating requirements that result from cold winter weather. Although beginning in the 2006-2007 winter heating season, we will have weather-normalized rates for over 90 percent of our residential and commercial meters that should substantially eliminate the adverse effects of warmer-than-normal weather for meters in those service areas, our utility operating results will continue to vary with the temperatures during the winter heating season. In addition, sustained cold weather could adversely affect our natural gas marketing operations as we may be required to purchase gas at spot rates in a rising market to obtain sufficient volumes to fulfill some customer contracts.

The concentration of our distribution, pipeline and storage operations in the State of Texas has increased the exposure of our operations and financial results to adverse weather, economic conditions or regulatory decisions in Texas.

As a result of our acquisition of the distribution, pipeline and storage operations of TXU Gas in October 2004, over 50 percent of our natural gas distribution customers and most of our pipeline and storage assets and operations are now located in the State of Texas. This concentration of our business in Texas means that our operations and financial results are subject to greater impact than before from changes in the Texas economy in general as well as the weather in our service areas of the state during the winter heating season. Our financial results in fiscal 2006 were adversely affected by warm weather in Texas. In addition, the impact of any adverse rate or other regulatory decisions by state or local regulatory authorities in Texas will also be

greater. The hearing in the Mid-Tex Division's first rate case since the TXU Gas acquisition has just concluded. In the proceeding, we are seeking additional revenue and several rate design changes. A rate reduction or other significant, adverse decision by the Texas Railroad Commission in the proceeding could materially affect our financial results.

We are subject to environmental regulation which could adversely affect our operations or financial results.

We are subject to laws, regulations and other legal requirements enacted or adopted by federal, state and local governmental authorities relating to protection of the environment and health and safety matters, including those legal requirements that govern discharges of substances into the air and water, the management and disposal of hazardous substances and waste, the clean-up of contaminated sites, groundwater quality and availability, plant and wildlife protection, as well as work practices related to employee health and safety. Environmental legislation also requires that our facilities, sites and other properties associated with our operations be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Failure to comply with these laws, regulations, permits and licenses may expose us to fines, penalties or interruptions in our operations that could be significant to our financial results. In addition, existing environmental regulations may be revised or our operations may become subject to new regulations. Such revised or new regulations could result in increased compliance costs or additional operating restrictions which could adversely affect our business, financial condition and results of operations.

Our operations are exposed to market risks that are beyond our control which could adversely affect our financial results.

Our risk management operations are subject to market risks beyond our control including market liquidity, commodity price volatility and counterparty creditworthiness.

Although we maintain a risk management policy, we may not be able to completely offset the price risk associated with volatile gas prices or the risk in our natural gas marketing and pipeline and storage segments which could lead to volatility in our earnings. Physical trading also introduces price risk on any net open positions at the end of each trading day, as well as volatility resulting from intraday fluctuations of gas prices and the potential for daily price movements between the time natural gas is purchased or sold for future delivery and the time the related purchase or sale is hedged. Although we manage our business to maintain no open positions, there are times when limited net open positions related to our physical storage may occur on a short-term basis. The determination of our net open position as of any day requires us to make assumptions as to future circumstances, including the use of gas by our customers in relation to our anticipated storage and market positions. Because the price risk associated with any net open position at the end of each day may increase if the assumptions are not realized, we review these assumptions as part of our daily monitoring activities. Net open positions may increase volatility in our financial condition or results of operations if market prices move in a significantly favorable or unfavorable manner because the timing of the recognition of profits or losses on the hedges for financial accounting purposes does not always match up with the timing of the economic profits or losses on the item being hedged. This volatility may occur with a resulting increase or decrease in earnings or losses, even though the expected profit margin is essentially unchanged from the date the transactions were consummated. Further, if the local physical markets in which we trade do not move consistently with the New York Mercantile Exchange (NYMEX) futures market, we could experience increased volatility in the financial results of our natural gas marketing and pipeline and storage segments.

Our natural gas marketing and pipeline and storage segments manage margins and limit risk exposure on the sale of natural gas inventory or the offsetting fixed-price purchase or sale commitments for physical quantities of natural gas through the use of a variety of financial derivatives. However, contractual limitations could adversely affect our ability to withdraw gas from storage which could cause us to purchase gas at spot prices in a rising market to obtain sufficient volumes to fulfill customer contracts. We could also realize financial losses on our efforts to limit risk as a result of volatility in the market prices of the underlying commodities or if a counterparty fails to perform under a contract. In addition, adverse changes in the

creditworthiness of our counterparties could limit the level of trading activities with these parties and increase the risk that these parties may not perform under a contract.

We are also subject to interest rate risk on our commercial paper borrowings and floating rate debt. In the past few years, we have been operating in a relatively low interest-rate environment with both short and long-term interest rates being relatively low compared to past interest rates. However, in the past two years, the Federal Reserve has taken actions that have resulted in increases in short-term interest rates. Future increases in interest rates could adversely affect our future financial results.

The execution of our business plan could be affected by an inability to access financial markets.

We rely upon access to both short-term and long-term capital markets to satisfy our liquidity requirements. Adverse changes in the economy or these markets, the overall health of the industries in which we operate and changes to our credit ratings could limit access to these markets, increase our cost of capital or restrict the execution of our business plan.

Our long-term debt is currently rated as "investment grade" by Standard & Poor's Corporation, Moody's Investors Services, Inc. and Fitch Ratings, Ltd., the three credit rating agencies that rate our long-term debt securities. There can be no assurance that these rating agencies will maintain investment grade ratings for our long-term debt. If we were to lose our investment-grade rating, the commercial paper markets and the commodity derivatives markets could become unavailable to us. This would increase our borrowing costs for working capital and reduce the borrowing capacity of our gas marketing affiliate. If our commercial paper ratings were lowered, it would also increase the cost of commercial paper financing and could reduce or eliminate our ability to access the commercial paper markets. If we are unable to issue commercial paper, we intend to borrow under our bank credit facilities to meet our working capital needs. This would increase the cost of our working capital financing. In addition, one of our regulatory approvals for the offer and sale of debt securities covered by the registration statement of which this prospectus is a part is conditioned upon our continued investment grade rating from at least one of the credit rating agencies named above.

Inflation and increased gas costs could adversely impact our customer base and customer collections and increase our level of indebtedness.

Inflation has caused increases in some of our operating expenses and has required assets to be replaced at higher costs. We have a process in place to continually review the adequacy of our utility gas rates in relation to the increasing cost of providing service and the inherent regulatory lag in adjusting those gas rates. Historically, we have been able to budget and control operating expenses and investments within the amounts authorized to be collected in rates and intend to continue to do so. However, the ability to control expenses is an important factor that could influence future results.

Rapid increases in the price of purchased gas, which occurred recently and in some prior years, cause us to experience a significant increase in short-term debt because we must pay suppliers for gas when it is purchased, which can be significantly in advance of when these costs may be recovered through the collection of monthly customer bills for gas delivered. Increases in purchased gas costs also slow our utility collection efforts as customers are more likely to delay the payment of their gas bills, leading to higher than normal accounts receivable. This could result in higher short-term debt levels, greater collection efforts and increased bad debt expense.

Our operations are subject to increased competition.

In the residential and commercial customer markets, our regulated utility operations compete with other energy products, such as electricity and propane. Our primary product competition is with electricity for heating, water heating and cooking. Increases in the price of natural gas could negatively impact our competitive position by decreasing the price benefits of natural gas to the consumer. This could adversely impact our business if as a result, our customer growth slows, resulting in reduced ability to make capital expenditures, or if our customers further conserve their use of gas, resulting in reduced gas purchases and customer billings.

In the case of industrial customers, such as manufacturing plants, and agricultural customers, adverse economic conditions, including higher gas costs, could cause these customers to use alternative sources of energy, such as electricity, or bypass our systems in favor of special competitive contracts with lower per-unit costs. Our pipeline and storage operations currently face limited competition from other existing intrastate pipelines and gas marketers seeking to provide or arrange transportation, storage and other services for customers. However, competition may increase if new intrastate pipelines are constructed near our existing facilities.

The cost of providing pension and postretirement health care benefits is subject to changes in pension fund values and changing demographics and may have a material adverse effect on our financial results.

We provide a cash-balance pension plan for the benefit of eligible full-time employees as well as postretirement health care benefits to eligible full-time employees. Our costs of providing such benefits is subject to changes in the market value of our pension fund assets, changing demographics, including longer life expectancy of beneficiaries and an expected increase in the number of eligible former employees over the next five to ten years, and various actuarial calculations and assumptions. The actuarial assumptions used may differ materially from actual results due to changing market and economic conditions, higher or lower withdrawal rates and other factors. These differences may result in a significant impact on the amount of pension expense or other postretirement benefit costs recorded in future periods.

Our growth in the future may be limited by the nature of our business, which requires extensive capital spending.

We must continually build additional capacity in our natural gas distribution system to maintain the growth in the number of our customers. The cost of adding this capacity may be affected by a number of factors, including the general state of the economy and weather. Our cash flows from operations are generally not sufficient to supply funding for all our capital expenditures including the financing of the costs of this new construction along with capital expenditures necessary to maintain our existing natural gas system. As a result, we must fund at least a portion of these costs through borrowing funds from third party lenders, the cost of which is dependent on the interest rates at the time. This in turn may limit our ability to connect new customers to our system due to constraints on the amount of funds we can invest in our infrastructure.

Distributing and storing natural gas involve risks that may result in accidents and additional operating costs.

Our natural gas distribution business involves a number of hazards and operating risks that cannot be completely avoided, such as leaks, accidents and operational problems, which could cause loss of human life, as well as substantial financial losses resulting from property damage, damage to the environment and to our operations. We do have liability and property insurance coverage in place for many of these hazards and risks. However, because our pipeline, storage and distribution facilities are near or are in populated areas, any loss of human life or adverse financial results resulting from such events could be large. If these events were not fully covered by insurance, our financial position and results of operations could be adversely affected.

Natural disasters and terrorist activities and other actions could adversely affect our operations or financial results.

Natural disasters are always a threat to our assets and operations. In addition, the threat of terrorist activities could lead to increased economic instability and volatility in the price of natural gas that could affect our operations. Also, companies in our industry may face a heightened risk of exposure to actual acts of terrorism, which could subject our operations to increased risks. As a result, the availability of insurance covering such risks may be more limited, which could increase the risk that an event could adversely affect future financial results.

ATMOS ENERGY CORPORATION

Atmos Energy Corporation and its subsidiaries are engaged primarily in the natural gas utility business as well as other natural gas nonutility businesses. We are one of the country's largest natural-gas-only distributors based on number of customers and one of the largest intrastate pipeline operators in Texas based upon miles of pipe. As of September 30, 2006, we distributed natural gas through sales and transportation arrangements to approximately 3.2 million residential, commercial, public authority and industrial customers through our seven regulated utility divisions, which covered service areas in 12 states. Our primary service areas are located in Colorado, Kansas, Kentucky, Louisiana, Mississippi, Tennessee and Texas. We have more limited service areas in Georgia, Illinois, Iowa, Missouri and Virginia. In addition, we transport natural gas for others through our distribution system.

Through our nonutility businesses, we primarily provide natural gas management and marketing services to municipalities, other local gas distribution companies and industrial customers in 22 states and natural gas transportation and storage services to some of our utility divisions and to third parties.

Our operations are divided into four segments:

- the utility segment, which includes our regulated natural gas distribution and related sales operations,
- the natural gas marketing segment, which includes a variety of nonregulated natural gas management services,
- the pipeline and storage segment, which includes our regulated and nonregulated natural gas transmission and storage services, and
- the other nonutility segment, which includes all of our other nonregulated nonutility operations.

Our overall strategy is to:

- deliver superior shareholder value,
- improve the quality and consistency of earnings growth, while operating our natural gas utility and nonutility businesses exceptionally well, and
- enhance and strengthen a culture built on our core values.

Over the last five years, we have primarily grown through two significant acquisitions, our acquisition in December 2002 of Mississippi Valley Gas Company (MVG) and our acquisition in October 2004 of the natural gas distribution and pipeline operations of TXU Gas Company (TXU Gas).

We have experienced over 20 consecutive years of increasing dividends and earnings growth after giving effect to our acquisitions. We have achieved this record of growth while operating our utility operations efficiently by managing our operating and maintenance expenses and leveraging our technology, such as our 24-hour call centers, to achieve more efficient operations. In addition, we have focused on regulatory rate proceedings to increase revenue as our costs increase and mitigated weather-related risks through weather-normalized rates that now apply to most of our service areas. We have also strengthened our nonutility businesses by increasing gross profit margins, actively pursuing opportunities to increase the amount of storage available to us and expanding commercial opportunities in our pipeline and storage segment.

Our core values include focusing on our employees and customers while conducting our business with honesty and integrity. We continue to strengthen our culture through ongoing communications with our employees and enhanced employee training.

SECURITIES WE MAY OFFER

Types of Securities

The types of securities that we may offer and sell from time to time by this prospectus are:

- debt securities, which we may issue in one or more series; and
- common stock.

The aggregate initial offering price of all securities sold will not exceed \$900,000,000. We will determine when we sell securities, the amounts of securities we will sell and the prices and other terms on which we will sell them. We may sell securities to or through underwriters, through agents or dealers or directly to purchasers. The offer and sale of securities by this prospectus is subject to receipt of satisfactory regulatory approvals in five states, all of which have been received.

Prospectus Supplements

This prospectus provides you with a general description of the debt securities and common stock we may offer. Each time we offer securities, we will provide a prospectus supplement that will contain specific information about the terms of the offering. The prospectus supplement may also add to or change information contained in this prospectus. In that case, the prospectus supplement should be read as superseding this prospectus.

In each prospectus supplement, which will be attached to the front of this prospectus, we will include, among other things, the following information:

- the type and amount of securities which we propose to sell;
- the initial public offering price of the securities;
- the names of the underwriters, agents or dealers, if any, through or to which we will sell the securities;
- the compensation, if any, of those underwriters, agents or dealers;
- if applicable, information about the securities exchanges or automated quotation systems on which the securities will be listed or traded;
- material United States federal income tax considerations applicable to the securities, where necessary; and
- any other material information about the offering and sale of the securities.

For more details on the terms of the securities, you should read the exhibits filed with our registration statement, of which this prospectus is a part. You should also read both this prospectus and any prospectus supplement, together with additional information described under the heading "Where You Can Find More Information."

USE OF PROCEEDS

Except as may otherwise be stated in the applicable prospectus supplement, we intend to use the net proceeds from the sale of the securities that we may offer and sell from time to time by this prospectus for general corporate purposes, including for working capital, repaying indebtedness and funding capital projects, acquisitions and other growth.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of earnings to fixed charges for the periods indicated:

Ratio	Year Ended September 30,				
	2006	2005	2004	2003	2002
	2.50	2.54	2.95	2.85	2.46

For purposes of computing the ratio of earnings to fixed charges, earnings consists of the sum of our income from continuing operations, before income taxes and cumulative effect of accounting changes, and fixed charges. Fixed charges consist of interest expense, amortization of debt discount, premium and expense, capitalized interest and a portion of lease payments considered to represent an interest factor.

DESCRIPTION OF DEBT SECURITIES

We may issue debt securities from time to time in one or more distinct series. This section summarizes the material terms of any debt securities that we anticipate will be common to all series. Please note that the terms of any series of debt securities that we may offer may differ significantly from the common terms described in this prospectus. Most of the specific terms of any series of debt securities that we offer, and any differences from the common terms described in this prospectus, will be described in the prospectus supplement for such securities to be attached to the front of this prospectus.

As required by U.S. federal law for all bonds and notes of companies that are publicly offered, a document called an "indenture" will govern any debt securities that we issue. An indenture is a contract between us and a financial institution acting as trustee on your behalf. We will enter into an indenture with an institution having corporate trust powers, which will act as trustee, relating to any debt securities that are offered by this prospectus. The indenture will be subject to the Trust Indenture Act of 1939. The trustee under an indenture has the following two main roles:

- the trustee can enforce your rights against us if we default; there are some limitations on the extent to which the trustee acts on your behalf, which are described later in this prospectus; and
- the trustee will perform certain administrative duties for us, which include sending you interest payments and notices.

As this section is a summary of some of the terms of the debt securities we may offer under this prospectus, it does not describe every aspect of the debt securities. We urge you to read the indenture and the other documents we file with the SEC relating to the debt securities because the indenture for those securities and those other documents, and not this description, will define your rights as a holder of our debt securities. We have filed the indenture as an exhibit to the registration statement that we have filed with the SEC, and we will file any such other documents as exhibits to an annual, quarterly or other report that we file with the SEC. See "Where You Can Find More Information," for information on how to obtain copies of the indenture and any such other documents. References to the "indenture" mean the indenture that will define your rights as a holder of debt securities, a form of which we have filed as an exhibit to the registration statement of which this prospectus forms a part. The actual indenture we enter into in connection with an offering of debt securities may differ significantly from the form of indenture we have filed.

General

The debt securities will be our unsecured obligations. Senior debt securities will rank equally with all of our other unsecured and unsubordinated Indebtedness. Subordinated debt securities will rank junior to our senior indebtedness, including our credit facilities.

You should read the prospectus supplement for the following terms of the series of debt securities offered by the prospectus supplement. Our board of directors will establish the following terms before issuance of the series:

- the title of the debt securities and whether the debt securities will be senior debt securities or subordinated debt securities;
- the ranking of the debt securities;
- if the debt securities are subordinated, the terms of subordination;
- the aggregate principal amount of the debt securities, the percentage of their principal amount at which the debt securities will be issued, and the date or dates when the principal of the debt securities will be payable or how those dates will be determined or extended;
- the interest rate or rates, which may be fixed or variable, that the debt securities will bear, if any, how the rate or rates will be determined, and the periods when the rate or rates will be in effect;
- the date or dates from which any interest will accrue or how the date or dates will be determined, the date or dates on which any interest will be payable, whether and the terms under which payment of interest may be deferred, any regular record dates for these payments or how these dates will be determined and the basis on which any interest will be calculated, if other than on the basis of a 360-day year of twelve 30-day months;
- the place or places, if any, other than or in addition to New York City, of payment, transfer or exchange of the debt securities, and where notices or demands to or upon us in respect of the debt securities may be served;
- any optional redemption provisions and any restrictions on the sources of funds for redemption payments, which may benefit the holders of other securities;
- any sinking fund or other provisions that would obligate us to repurchase or redeem the debt securities;
- whether the amount of payments of principal of, any premium on, or interest on the debt securities will be determined with reference to an index, formula or other method, which could be based on one or more commodities, equity indices or other indices, and how these amounts will be determined;
- any covenants with respect to the debt securities and any changes or additions to the events of default described in this prospectus;
- if not the principal amount of the debt securities, the portion of the principal amount that will be payable upon acceleration of the maturity of the debt securities or how that portion will be determined;
- any changes or additions to the provisions concerning defeasance and covenant defeasance contained in the applicable indenture that will be applicable to the debt securities;
- any provisions granting special rights to the holders of the debt securities upon the occurrence of specified events;
- if other than the trustee, the name of the paying agent, security registrar or transfer agent for the debt securities;
- if we do not issue the debt securities in book-entry form only to be held by The Depository Trust Company, as depository, whether we will issue the debt securities in certificated form or the identity of any alternative depository;
- the person to whom any interest in a debt security will be payable, if other than the registered holder at the close of business on the regular record date;
- the denomination or denominations in which the debt securities will be issued, if other than denominations of \$1,000 or any integral multiples;

- any provisions requiring us to pay additional amounts on the debt securities to any holder who is not a United States person in respect of any tax, assessment or governmental charge and, if so, whether we will have the option to redeem the debt securities rather than pay the additional amounts; and
- any other material terms of the debt securities or the indenture, which may not be consistent with the terms set forth in this prospectus.

For purposes of this prospectus, any reference to the payment of principal of, any premium on, or interest on the debt securities will include additional amounts if required by the terms of the debt securities.

The indenture will not limit the amount of debt securities that we are authorized to issue from time to time. The indenture will also provide that there may be more than one trustee thereunder, each for one or more series of debt securities. If a trustee is acting under the indenture with respect to more than one series of debt securities, the debt securities for which it is acting would be treated as if issued under separate indentures. If there is more than one trustee under the indenture, the powers and trust obligations of each trustee will apply only to the debt securities of the separate series for which it is trustee.

We may issue debt securities with terms different from those of debt securities already issued. Without the consent of the holders of the outstanding debt securities, we may reopen a previous issue of a series of debt securities and issue additional debt securities of that series unless the reopening was restricted when we created that series.

There is no requirement that we issue debt securities in the future under the indenture, and we may use other indentures or documentation, containing different provisions in connection with future issues of other debt securities.

We may issue the debt securities as “original issue discount securities,” which are debt securities, including any zero-coupon debt securities, that are issued and sold at a discount from their stated principal amount. Original issue discount securities provide that, upon acceleration of their maturity, an amount less than their principal amount will become due and payable. We will describe the U.S. federal income tax consequences and other considerations applicable to original issue discount securities in any prospectus supplement relating to them.

Holder of Debt Securities

Book-Entry Holders. We will issue debt securities in book-entry form only, unless we specify otherwise in the applicable prospectus supplement. This means the debt securities will be represented by one or more global securities registered in the name of a financial institution that holds them as depository on behalf of other financial institutions that participate in the depository’s book-entry system. These participating institutions, in turn, hold beneficial interests in the debt securities on behalf of themselves or their customers.

Under the indenture, we will recognize as a holder only the person in whose name a debt security is registered. Consequently, for debt securities issued in global form, we will recognize only the depository as the holder of the debt securities and we will make all payments on the debt securities to the depository. The depository passes along the payments it receives to its participants, which in turn pass the payments along to their customers who are the beneficial owners.

The depository and its participants do so under agreements they have made with one another or with their customers; they are not obligated to do so under the terms of the debt securities.

As a result, you will not own the debt securities directly. Instead, you will own beneficial interests in a global security, through a bank, broker or other financial institution that participates in the depository’s book-entry system or holds an interest through a participant. As long as the debt securities are issued in global form, you will be an indirect holder, and not a holder, of the debt securities.

Street Name Holders. In the future we may terminate a global security or issue debt securities initially in non-global form. In these cases, you may choose to hold your debt securities in your own name or in “street name.” Debt securities held in street name would be registered in the name of a bank, broker or other financial

institution that you choose, and you would hold only a beneficial interest in those debt securities through an account you maintain at that institution.

For debt securities held in street name, we will recognize only the intermediary banks, brokers and other financial institutions in whose names the debt securities are registered as the holders of those debt securities, and we will make all payments on those debt securities to them. These institutions pass along the payments they receive to their customers who are the beneficial owners, but only because they agree to do so in their customer agreements or because they are legally required to do so. If you hold debt securities in street name you will be an indirect holder, and not a holder, of those debt securities.

Legal Holders. Our obligations, as well as the obligations of the trustee and those of any third parties employed by us or the trustee, run only to the legal holders of the debt securities. We do not have obligations to you if you hold beneficial interests in global securities, in street name or by any other indirect means. This will be the case whether you choose to be an indirect holder of a debt security or have no choice because we are issuing the debt securities only in global form.

For example, once we make a payment or give a notice to the holder, we have no further responsibility for the payment or notice even if that holder is required, under agreements with depository participants or customers or by law, to pass it along to the indirect holders but does not do so. Similarly, if we want to obtain the approval of the holders for any purpose (for example, to amend the indenture or to relieve us of the consequences of a default or of our obligation to comply with a particular provision of the indenture) we would seek the approval only from the holders, and not the indirect holders, of the debt securities. Whether and how the holders contact the indirect holders is up to the holders.

When we refer to you, we mean those who invest in the debt securities being offered by this prospectus, whether they are the holders or only indirect holders of those debt securities. When we refer to your debt securities, we mean the debt securities in which you hold a direct or indirect interest.

Special Considerations for Indirect Holders. If you hold debt securities through a bank, broker or other financial institution, either in book-entry form or in street name, you should check with your own institution to find out:

- how it handles securities payments and notices;
- whether it imposes fees or charges;
- how it would handle a request for the holders' consent, if ever required;
- whether and how you can instruct it to send you debt securities registered in your own name so you can be a holder, if that is permitted in the future;
- how it would exercise rights under the debt securities if there were a default or other event triggering the need for holders to act to protect their interests; and
- if the debt securities are in book-entry form, how the depository's rules and procedures will affect these matters.

Global Securities

What is a Global Security? We will issue each debt security under the indenture in book-entry form only, unless we specify otherwise in the applicable prospectus supplement. A global security represents one or any other number of individual debt securities. Generally, all debt securities represented by the same global securities will have the same terms. We may, however, issue a global security that represents multiple debt securities that have different terms and are issued at different times. We call this kind of global security a master global security.

Each debt security issued in book-entry form will be represented by a global security that we deposit with and register in the name of a financial institution or its nominee that we select. The financial institution that we select for this purpose is called the depository. Unless we specify otherwise in the applicable

prospectus supplement, The Depository Trust Company, New York, New York, known as DTC, will be the depository for all debt securities issued in book-entry form.

A global security may not be transferred to or registered in the name of anyone other than the depository or its nominee, unless special termination situations arise. We describe those situations below under “Special Situations When a Global Security Will Be Terminated.” As a result of these arrangements, the depository, or its nominee, will be the sole registered owner and holder of all debt securities represented by a global security, and investors will be permitted to own only beneficial interests in a global security. Beneficial interests must be held by means of an account with a broker, bank or other financial institution that in turn has an account with the depository or with another institution that does. Thus, if your security is represented by a global security, you will not be a holder of the debt security, but only an indirect holder of a beneficial interest in the global security.

Special Considerations for Global Securities. We do not recognize an indirect holder as a holder of debt securities and instead deal only with the depository that holds the global security. The account rules of your financial institution and of the depository, as well as general laws relating to securities transfers, will govern your rights relating to a global security.

If we issue debt securities only in the form of a global security, you should be aware of the following:

- you cannot cause the debt securities to be registered in your name, and cannot obtain non-global certificates for your interest in the debt securities, except in the special situations that we describe below;
- you will be an indirect holder and must look to your own bank or broker for payments on the debt securities and protection of your legal rights relating to the debt securities, as we describe under “Holders of Debt Securities” above;
- you may not be able to sell interests in the debt securities to some insurance companies and to other institutions that are required by law to own their securities in non-book-entry form;
- you may not be able to pledge your interest in a global security in circumstances where certificates representing the debt securities must be delivered to the lender or other beneficiary of the pledge in order for the pledge to be effective;
- the depository’s policies, which may change from time to time, will govern payments, transfers, exchanges and other matters relating to your interest in a global security. We and the trustee have no responsibility for any aspect of the depository’s actions or for its records of ownership interests in a global security. We and the trustee also do not supervise the depository in any way;
- DTC requires, and other depositories may require, that those who purchase and sell interests in a global security within its book-entry system use immediately available funds and your broker or bank may require you to do so as well; and
- financial institutions that participate in the depository’s book-entry system, and through which you hold your interest in a global security, may also have their own policies affecting payments, notices and other matters relating to the debt security. Your chain of ownership may contain more than one financial intermediary. We do not monitor and are not responsible for the actions of any of those intermediaries.

Special Situations When a Global Security Will Be Terminated. In a few special situations described below, a global security will be terminated and interests in it will be exchanged for certificates in non-global form representing the debt securities it represented. After that exchange, you will be able to choose whether to hold the debt securities directly or in street name. You must consult your own bank or broker to find out how to have your interests in a global security transferred on termination to your own name, so that you will be a holder. We have described the rights of holders and street name investors above under “Holders of Debt Securities.”

The special situations for termination of a global security are as follows:

- if the depository notifies us that it is unwilling, unable or no longer qualified to continue as depository for that global security and we do not appoint another institution to act as depository within 60 days;
- if we notify the trustee that we wish to terminate that global security; or
- if an event of default has occurred with regard to debt securities represented by that global security and has not been cured or waived; we discuss defaults later under “Events of Default.”

If a global security is terminated, only the depository, and not we or the trustee, is responsible for deciding the names of the intermediary banks, brokers and other financial institutions in whose names the debt securities represented by the global security are registered, and, therefore, who will be the holders of those debt securities.

Covenants

Please refer to the prospectus supplement for information about the covenants that will be applicable to the debt securities offered thereby.

Modification or Waiver

There are two types of changes that we can make to the indenture and the debt securities.

Changes Requiring Approval. With the approval of the holders of at least a majority in principal amount of all outstanding debt securities of each series affected (including any such approvals obtained in connection with a tender or exchange offer for outstanding debt securities), we may make any changes, additions or deletions to any provisions of the indenture applicable to the affected series, or modify the rights of the holders of the debt securities of the affected series. However, without the consent of each holder affected, we cannot:

- change the stated maturity of the principal of, any premium on, or the interest on a debt security;
- change any of our obligations to pay additional amounts;
- reduce the amount payable upon acceleration of maturity following the default of a debt security whose principal amount payable at stated maturity may be more or less than its principal face amount at original issuance or an original issue discount security;
- adversely affect any right of repayment at the holder’s option;
- change the place of payment of a debt security;
- impair the holder’s right to sue for payment;
- adversely affect any right to convert or exchange a debt security;
- reduce the percentage of holders of debt securities whose consent is needed to modify or amend the indenture;
- reduce the percentage of holders of debt securities whose consent is needed to waive compliance with any provisions of the indenture or to waive any defaults; or
- modify any of the provisions of the indenture dealing with modification and waiver in any other respect, except to increase any percentage of consents required to amend the indenture or for any waiver or to add to the provisions that cannot be modified without the approval of each affected holder.

Changes Not Requiring Approval. The second type of change does not require any vote by the holders of the debt securities. This type is limited to clarifications and certain other changes that would not adversely affect holders of the outstanding debt securities in any material respect. Nor do we need any approval to make any change that affects only debt securities to be issued under the indenture after the changes take effect.

Further Details Concerning Voting. When taking a vote, we will use the following rules to decide how much principal amount to attribute to a debt security:

- for original issue discount securities, we will use the principal amount that would be due and payable on the voting date if the maturity of the debt securities were accelerated to that date because of a default; and
- for debt securities whose principal amount is not known (for example, because it is based on an index) we will use a special rule for that debt security described in the prospectus supplement.

Debt securities will not be considered outstanding, and therefore not eligible to vote, if we have deposited or set aside in trust money for their payment or redemption. Debt securities will also not be eligible to vote if they have been fully defeased as described later under “Defeasance and Covenant Defeasance.”

Book-entry and other indirect holders should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the indenture or the debt securities or request a waiver.

Events of Default

Holders of debt securities will have special rights if an Event of Default occurs as to the debt securities of their series that is not cured, as described later in this subsection. Please refer to the prospectus supplement for information about any changes to the Events of Default, including any addition of a provision providing event risk or similar protection.

What is an Event of Default? The term “Event of Default” as to the debt securities of a series means any of the following:

- we do not pay interest on a debt security of the series within 30 days of its due date;
- we do not pay the principal of or any premium, if any, on a debt security of the series on its due date;
- we do not deposit any sinking fund payment when and as due by the terms of any debt securities requiring such payment;
- we remain in breach of a covenant or agreement in the indenture, other than a covenant or agreement for the benefit of less than all of the holders of the debt securities, for 60 days after we receive written notice stating that we are in breach from the trustee or the holders of at least 25 percent of the principal amount of the debt securities of the series;
- we or a restricted subsidiary of ours is in default under any matured or accelerated agreement or instrument under which we have outstanding Indebtedness for borrowed money or guarantees, which individually is in excess of \$25,000,000, and we have not cured any acceleration within 30 days after we receive notice of this default from the trustee or the holders of at least 25 percent of the principal amount of the debt securities of the series, unless prior to the entry of judgment for the trustee, we or the restricted subsidiary remedy the default or the default is waived by the holders of the indebtedness;
- we file for bankruptcy or other events of bankruptcy, insolvency or reorganization occur; or
- any other Event of Default provided for the benefit of debt securities of the series.

An Event of Default for a particular series of debt securities will not necessarily constitute an Event of Default for any other series of debt securities issued under the indenture.

The trustee may withhold notice to the holders of debt securities of a particular series of any default if it considers its withholding of notice to be in the interest of the holders of that series, except that the trustee may not withhold notice of a default in the payment of the principal of, any premium on, or the interest on the debt securities.

Remedies if an Event of Default Occurs. If an event of default has occurred and is continuing, the trustee or the holders of at least 25 percent in principal amount of the debt securities of the affected series

may declare the entire principal amount of all the debt securities of that series to be due and immediately payable by notifying us, and the trustee, if the holders give notice, in writing. This is called a declaration of acceleration of maturity.

If the maturity of any series of debt securities is accelerated and a judgment for payment has not yet been obtained, the holders of a majority in principal amount of the debt securities of that series may cancel the acceleration if all events of default other than the non-payment of principal or interest on the debt securities of that series that have become due solely by a declaration of acceleration are cured or waived, and we deposit with the trustee a sufficient sum of money to pay:

- all overdue interest on outstanding debt securities of that series;
- all unpaid principal of any outstanding debt securities of that series that has become due otherwise than by a declaration of acceleration, and interest on the unpaid principal;
- all interest on the overdue interest; and
- all amounts paid or advanced by the trustee for that series and reasonable compensation of the trustee.

Except in cases of default, where the trustee has some special duties, the trustee is not required to take any action under the indenture at the request of any holders unless the holders offer the trustee reasonable protection from expenses and liability. This is called an indemnity. If reasonable indemnity is provided, the holders of a majority in principal amount of the outstanding debt securities of the relevant series may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. The trustee may refuse to follow those directions if the directions conflict with any law or the indenture or expose the trustee to personal liability. No delay or omission in exercising any right or remedy will be treated as a waiver of that right, remedy or Event of Default.

Before a holder is allowed to bypass the trustee and bring his or her own lawsuit or other formal legal action or take other steps to enforce his or her rights or protect his or her interest relating to the debt securities, the following must occur:

- the holder must give the trustee written notice that an Event of Default has occurred and remains uncured;
- the holders of at least 25 percent in principal amount of all outstanding debt securities of the relevant series must make a written request that the trustee take action because of the default and must offer reasonable indemnity to the trustee against the cost and other liabilities of taking that action;
- the trustee must not have instituted a proceeding for 60 days after receipt of the above notice and offer of indemnity; and
- the holders of a majority in principal amount of the debt securities must not have given the trustee a direction inconsistent with the above notice during the 60-day period.

However, a holder is entitled at any time to bring a lawsuit for the payment of money due on his or her debt securities on or after the due date without complying with the foregoing.

Holders of a majority in principal amount of the debt securities of the affected series may waive any past defaults other than the following:

- the payment of principal, any premium, interest or additional amounts on any debt security; or
- in respect of a covenant that under the indenture cannot be modified or amended without the consent of each holder affected.

Each year, we will furnish the trustee with a written statement of two of our officers certifying that, to their knowledge, we are in compliance with the indenture and the debt securities, or else specifying any default.

Book-entry and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to declare or cancel an acceleration.

Defeasance and Covenant Defeasance

Unless we provide otherwise in the applicable prospectus supplement, the provisions for full defeasance and covenant defeasance described below apply to each series of debt securities. In general, we expect these provisions to apply to each debt security that is not a floating rate or indexed debt security.

Full Defeasance. If there is a change in U.S. federal tax law, as described below, we can legally release ourselves from all payment and other obligations on the debt securities, called "full defeasance," if we put in place the following arrangements for you to be repaid:

- we must deposit in trust for the benefit of all holders of the debt securities a combination of money and obligations issued or guaranteed by the U.S. government that will generate enough cash to make interest, principal and any other payments on the debt securities on their various due dates; and
- we must deliver to the trustee a legal opinion confirming that there has been a change in current federal tax law or an IRS ruling that lets us make the above deposit without causing you to be taxed on the debt securities any differently than if we did not make the deposit and just repaid the debt securities ourselves at maturity. Under current federal tax law, the deposit and our legal release from the debt securities would be treated as though we paid you your share of the cash and notes or bonds at the time the cash and notes or bonds are deposited in trust in exchange for your debt securities, and you would recognize gain or loss on the debt securities at the time of the deposit.

If we ever did accomplish defeasance, as described above, you would have to rely solely on the trust deposit for repayment of the debt securities. You could not look to us for repayment in the event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever become bankrupt or insolvent. If we accomplish a defeasance, we would retain only the obligations to register the transfer or exchange of the debt securities, to maintain an office or agency in respect of the debt securities and to hold moneys for payment in trust.

Covenant Defeasance. Under current federal tax law, we can make the same type of deposit described above and be released from any restrictive covenants in the indenture specified in a prospectus supplement. This is called "covenant defeasance." In that event, you would lose the protection of any such covenants but would gain the protection of having money and obligations issued or guaranteed by the U.S. government set aside in trust to repay the debt securities. In order to achieve covenant defeasance, we must do the following:

- deposit in trust for your benefit and the benefit of all other direct holders of the debt securities a combination of money and obligations issued or guaranteed by the U.S. government that will generate enough cash to make interest, principal and any other payments on the debt securities on their various due dates; and
- deliver to the trustee a legal opinion of our counsel confirming that, under current federal income tax law, we may make the above deposit without causing you to be taxed on the debt securities any differently than if we did not make the deposit and just repaid the debt securities ourselves at maturity.

If we accomplish covenant defeasance, you can still look to us for repayment of the debt securities if there were a shortfall in the trust deposit or the trustee is prevented from making payment. In fact, if one of the remaining Events of Default occurred, such as our bankruptcy, and the debt securities became immediately due and payable, there may be a shortfall. Depending on the event causing the default, you may not be able to obtain payment of the shortfall.

Debt Securities Issued in Non-Global Form

If any debt securities cease to be issued in global form, they will be issued:

- only in fully registered form;
- without interest coupons; and
- unless we indicate otherwise in the prospectus supplement, in denominations of \$1,000 and amounts that are integral multiples of \$1,000.

Holders may exchange their debt securities that are not in global form for debt securities of smaller denominations or combined into fewer debt securities of larger denominations, as long as the total principal amount is not changed.

Holders may exchange or transfer their debt securities at the office of the trustee. We may appoint the trustee to act as our agent for registering debt securities in the names of holders transferring debt securities, or we may appoint another entity to perform these functions or perform them ourselves.

Holders will not be required to pay a service charge to transfer or exchange their debt securities, but they may be required to pay for any tax or other governmental charge associated with the transfer or exchange. The transfer or exchange will be made only if our transfer agent is satisfied with the holder's proof of legal ownership.

If we have designated additional transfer agents for a holder's debt security, they will be named in any prospectus supplement. We may appoint additional transfer agents or cancel the appointment of any particular transfer agent. We may also approve a change in the office through which any transfer agent acts.

If any debt securities are redeemable and we redeem less than all those debt securities, we may stop the transfer or exchange of those debt securities during the period beginning 15 days before the day we mail the notice of redemption and ending on the day of that mailing, in order to freeze the list of holders to prepare the mailing. We may also refuse to register transfers or exchanges of any debt securities selected for redemption, except that we will continue to permit transfers and exchanges of the unredeemed portion of any debt security that will be partially redeemed.

If a debt security is issued as a global security, only the depository will be entitled to transfer and exchange the debt security as described in this section, since it will be the sole holder of the debt security.

Payment Mechanics

Who Receives Payment? If interest is due on a debt security on an interest payment date, we will pay the interest to the person or entity in whose name the debt security is registered at the close of business on the regular record date, discussed below, relating to the interest payment date. If interest is due at maturity but on a day that is not an interest payment date, we will pay the interest to the person or entity entitled to receive the principal of the debt security. If principal or another amount besides interest is due on a debt security at maturity, we will pay the amount to the holder of the debt security against surrender of the debt security at a proper place of payment, or, in the case of a global security, in accordance with the applicable policies of the depository.

Payments on Global Securities. We will make payments on a global security in accordance with the applicable policies of the depository as in effect from time to time. Under those policies, we will pay directly to the depository, or its nominee, and not to any indirect holders who own beneficial interests in the global security. An indirect holder's right to those payments will be governed by the rules and practices of the depository and its participants, as described under "What Is a Global Security?".

Payments on Non-Global Securities. For a debt security in non-global form, we will pay interest that is due on an interest payment date by check mailed on the interest payment date to the holder at his or her address shown on the trustee's records as of the close of business on the regular record date. We will make all other payments by check, at the paying agent described below, against surrender of the debt security. We will

make all payments by check in next-day funds; for example, funds that become available on the day after the check is cashed.

Alternatively, if a non-global security has a face amount of at least \$1,000,000 and the holder asks us to do so, we will pay any amount that becomes due on the debt security by wire transfer of immediately available funds to an account at a bank in New York City on the due date. To request wire payment, the holder must give the paying agent appropriate transfer instructions at least five business days before the requested wire payment is due. In the case of any interest payment due on an interest payment date, the instructions must be given by the person who is the holder on the relevant regular record date. In the case of any other payment, we will make payment only after the debt security is surrendered to the paying agent. Any wire instructions, once properly given, will remain in effect unless and until new instructions are given in the manner described above.

Regular Record Dates. We will pay interest to the holders listed in the trustee's records as the owners of the debt securities at the close of business on a particular day in advance of each interest payment date. We will pay interest to these holders if they are listed as the owner even if they no longer own the debt security on the interest payment date. That particular day, usually about two weeks in advance of the interest payment date, is called the "regular record date" and will be identified in the prospectus supplement.

Payment When Offices Are Closed. If any payment is due on a debt security on a day that is not a business day, we will make the payment on the next business day. Payments postponed to the next business day in this situation will be treated under the indenture as if they were made on the original due date. A postponement of this kind will not result in a default under any debt security or the indenture, and no interest will accrue on the postponed amount from the original due date to the next business day.

Paying Agents. We may appoint one or more financial institutions to act as our paying agents, at whose designated offices debt securities in non-global form may be surrendered for payment at their maturity. We call each of those offices a paying agent. We may add, replace or terminate paying agents from time to time. We may also choose to act as our own paying agent. Initially, we have appointed the trustee, at its corporate trust office in New York City, as the paying agent. We must notify you of changes in the paying agents.

Book-entry and other indirect holders should consult their banks or brokers for information on how they will receive payments on their debt securities.

The Trustee Under the Indenture

We will identify the trustee under the indenture for our debt securities in the prospectus supplement for such securities.

The trustee may resign or be removed with respect to one or more series of debt securities and a successor trustee may be appointed to act with respect to these series.

DESCRIPTION OF COMMON STOCK

Our authorized capital stock consists of 200,000,000 shares of common stock, of which 82,077,463 shares were outstanding on November 30, 2006. Each of our shares of common stock is entitled to one vote on all matters voted upon by shareholders. Our shareholders do not have cumulative voting rights. Our issued and outstanding shares of common stock are fully paid and nonassessable. There are no redemption or sinking fund provisions applicable to the shares of our common stock, and such shares are not entitled to any preemptive rights. Since we are incorporated in both Texas and Virginia, we must comply with the laws of both states when issuing shares of our common stock.

Holders of our shares of common stock are entitled to receive such dividends as may be declared from time to time by our board of directors from our assets legally available for the payment of dividends and, upon our liquidation, a pro rata share of all of our assets available for distribution to our shareholders.

Under the provisions of some of our debt agreements, we have agreed to restrictions on the payment of cash dividends. Under these restrictions, our cumulative cash dividends paid after December 31, 1985 may not exceed the sum of our accumulated consolidated net income for periods after December 31, 1985 plus approximately \$9.0 million. As of September 30, 2006, approximately \$203.3 million was available for the declaration of dividends under these restrictions.

American Stock Transfer & Trust Company is the registrar and transfer agent for our common stock.

Charter and Bylaw Provisions

Some provisions of our articles of incorporation and bylaws may be deemed to have an “anti-takeover” effect. The following description of these provisions is only a summary, and we refer you to our restated articles of incorporation and bylaws for more information since their terms affect your rights as a shareholder.

Classification of the Board. Our board of directors is divided into three classes, each of which consists, as nearly as may be possible, of one-third of the total number of directors constituting the entire board. There are currently 13 directors serving on the board. Each class of directors serves a three-year term. At each annual meeting of our shareholders, successors to the class of directors whose term expires at the annual meeting are elected for three-year terms. Our restated articles of incorporation prohibit cumulative voting. In general, in the absence of cumulative voting, one or more persons who hold a majority of our outstanding shares can elect all of the directors who are subject to election at any meeting of shareholders.

The classification of directors could have the effect of making it more difficult for shareholders, including those holding a majority of the outstanding shares, to force an immediate change in the composition of our board. Two shareholder meetings, instead of one, generally will be required to effect a change in the control of our board. Our board believes that the longer time required to elect a majority of a classified board will help to ensure the continuity and stability of our management and policies since a majority of the directors at any given time will have had prior experience as our directors.

Removal of Directors. Our restated articles of incorporation and bylaws also provide that our directors may be removed only for cause and upon the affirmative vote of the holders of at least 75 percent of the shares then entitled to vote at an election of directors.

Fair Price Provisions. Article VII of our articles of incorporation provides certain “Fair Price Provisions” for our shareholders. Under Article VII, a merger, consolidation, sale of assets, share exchange, recapitalization or other similar transaction, between us or a company controlled by or under common control with us and any individual, corporation or other entity which owns or controls 10 percent or more of our voting capital stock, would be required to satisfy the condition that the aggregate consideration per share to be received in the transaction for each class of our voting capital stock be at least equal to the highest per share price, or equivalent price for any different classes or series of stock, paid by the 10 percent shareholder in acquiring any of its holdings of our stock. If a proposed transaction with a 10 percent shareholder does not meet this condition, then the transaction must be approved by the holders of at least 75 percent of the outstanding shares of voting capital stock held by our shareholders other than the 10 percent shareholder unless a majority of the directors who were members of our board immediately prior to the time the 10 percent shareholder involved in the proposed transaction became a 10 percent shareholder have either:

- expressly approved in advance the acquisition of the outstanding shares of our voting capital stock that caused the 10 percent shareholder to become a 10 percent shareholder, or
- approved the transaction either in advance of or subsequent to the 10 percent shareholder becoming a 10 percent shareholder.

The provisions of Article VII may not be amended, altered, changed, or repealed except by the affirmative vote of at least 75 percent of the votes entitled to be cast thereon at a meeting of our shareholders duly called for consideration of such amendment, alteration, change, or repeal. In addition, if there is a 10 percent shareholder, such action must also be approved by the affirmative vote of at least 75 percent of the outstanding shares of our voting capital stock held by the shareholders other than the 10 percent shareholder.

Shareholder Proposals and Director Nominations. Our shareholders can submit shareholder proposals and nominate candidates for the board of directors if the shareholders follow the advance notice procedures described in our bylaws.

Shareholder proposals must be submitted to our corporate secretary at least 60 days, but not more than 85 days, before the annual meeting; provided, however, that if less than 75 days' notice or prior public disclosure of the date of the annual meeting is given or made to shareholders, notice by the shareholder to be timely must be received by our Secretary not later than the close of business on the 25th day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made. The notice must include a description of the proposal, the shareholder's name and address and the number of shares held, and all other information which would be required to be included in a proxy statement filed with the SEC if the shareholder were a participant in a solicitation subject to the SEC proxy rules. To be included in our proxy statement for an annual meeting, we must receive the proposal at least 120 days prior to the anniversary of the date we mailed the proxy statement for the prior year's annual meeting.

To nominate directors, shareholders must submit a written notice to our corporate secretary at least 60 days, but not more than 85 days, before a scheduled meeting; provided, however, that if less than 75 days' notice or prior public disclosure of the date of the annual meeting is given or made to shareholders, such nomination shall have been received by our Secretary not later than the close of business on the 25th day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made. The notice must include the name and address of the shareholder and of the shareholder's nominee, the number of shares held by the shareholder, a representation that the shareholder is a holder of record of common stock entitled to vote at the meeting, and that the shareholder intends to appear in person or by proxy to nominate the persons specified in the notice, a description of any arrangements between the shareholder and the shareholder's nominee, information about the shareholder's nominee required by the SEC, and the written consent of the shareholder's nominee to serve as a director.

Shareholder proposals and director nominations that are late or that do not include all required information may be rejected. This could prevent shareholders from bringing certain matters before an annual or special meeting or making nominations for directors.

Shareholder Rights Plan

On November 12, 1997, our board of directors declared a dividend distribution of one right for each outstanding share of our common stock to shareholders of record at the close of business on May 10, 1998. Each right entitles the registered holder to purchase from us one-tenth share of our common stock at a purchase price of \$8.00 per share, subject to adjustment. The description and terms of the rights are set forth in a rights agreement between us and the rights agent.

Subject to exceptions specified in the rights agreement, the rights will separate from our common stock and a distribution date will occur upon the earlier of:

- ten business days following a public announcement that a person or group of affiliated or associated persons has acquired, or obtained the right to acquire, beneficial ownership of 15 percent or more of the outstanding shares of our common stock, other than as a result of repurchases of stock by us or specified inadvertent actions by institutional or other shareholders;
- ten business days, or such later date as our board of directors shall determine, following the commencement of a tender offer or exchange offer that would result in a person or group having acquired, or obtained the right to acquire, beneficial ownership of 15 percent or more of the outstanding shares of our common stock; or
- ten business days after our board of directors shall declare any person to be an adverse person within the meaning of the rights plan.

The rights expire at 5:00 P.M., Eastern time, on May 10, 2008, unless extended prior thereto by our board or earlier if redeemed by us.

The rights will not have any voting rights. The exercise price payable and the number of shares of our common stock or other securities or property issuable upon exercise of the rights are subject to adjustment from time to time to prevent dilution. We issue rights when we issue our common stock until the rights have separated from the common stock. After the rights have separated from the common stock, we may issue additional rights if the board of directors deems such issuance to be necessary or appropriate.

The rights have “anti-takeover” effects and may cause substantial dilution to a person or entity that attempts to acquire us on terms not approved by our board of directors except pursuant to an offer conditioned upon a substantial number of rights being acquired. The rights should not interfere with any merger or other business combination approved by our board of directors because, prior to the time that the rights become exercisable or transferable, we can redeem the rights at \$.01 per right.

Other

As part of the consideration for our MVG acquisition in December 2002, we issued shares of common stock to the owners of that company for a portion of the purchase price. In connection with the acquisition, these parties agreed, for up to five years from the closing of the acquisition, and with some exceptions, not to sell or transfer shares representing more than 1 percent of our total outstanding voting securities to any person or group or any shares to a person or group who would hold more than 9.9 percent of our total outstanding voting securities after the sale or transfer. This restriction, and other agreed restrictions on the ability of these shareholders to acquire additional shares, participate in proxy solicitations or act to seek control, may be deemed to have an “anti-takeover” effect.

PLAN OF DISTRIBUTION

We may sell the securities offered by this prospectus and a prospectus supplement as follows:

- through agents;
- to or through underwriters;
- through dealers;
- directly by us to purchasers; or
- through a combination of any such methods of sale.

We, directly or through agents or dealers, may sell, and the underwriters may resell, the securities in one or more transactions, including:

- transactions on the New York Stock Exchange or any other organized market where the securities may be traded;
- in the over-the-counter market;
- in negotiated transactions; or
- through a combination of any such methods of sale.

The securities may be sold at a fixed price or prices which may be changed, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices.

Agents designated by us from time to time may solicit offers to purchase the securities. We will name any such agent involved in the offer or sale of the securities and set forth any commissions payable by us to such agent in a prospectus supplement relating to any such offer and sale of securities. Unless otherwise indicated in the prospectus supplement, any such agent will be acting on a best efforts basis for the period of its appointment. Any such agent may be deemed to be an underwriter of the securities, as that term is defined in the Securities Act.

If underwriters are used in the sale of securities, securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions. Securities may be offered to the public either through underwriting syndicates represented by one or more managing underwriters or directly by one or more firms acting as underwriters. If an underwriter or underwriters are used in the sale of securities, we will execute an underwriting agreement with such underwriter or underwriters at the time an agreement for such sale is reached. We will set forth in the prospectus supplement the names of the specific managing underwriter or underwriters, as well as any other underwriters, and the terms of the transactions, including compensation of the underwriters and dealers. Such compensation may be in the form of discounts, concessions or commissions. Underwriters and others participating in any offering of securities may engage in transactions that stabilize, maintain or otherwise affect the price of such securities. We will describe any such activities in the prospectus supplement.

We may elect to list any class or series of securities on any exchange, but we are not currently obligated to do so. It is possible that one or more underwriters, if any, may make a market in a class or series of securities, but the underwriters will not be obligated to do so and may discontinue any market making at any time without notice. We cannot give any assurance as to the liquidity of the trading market for any of the securities we may offer.

If a dealer is used in the sale of the securities, we or an underwriter will sell such securities to the dealer, as principal. The dealer may then resell such securities to the public at varying prices to be determined by such dealer at the time of resale. The prospectus supplement will set forth the name of the dealer and the terms of the transactions.

We may directly solicit offers to purchase the securities, and we may sell directly to institutional investors or others. These persons may be deemed to be underwriters within the meaning of the Securities Act with respect to any resale of the securities. The prospectus supplement will describe the terms of any such sales, including the terms of any bidding, auction or other process, if used.

Agents, underwriters and dealers may be entitled under agreements which may be entered into with us to indemnification by us against specified liabilities, including liabilities under the Securities Act, or to contribution by us to payments they may be required to make in respect of such liabilities. The prospectus supplement will describe the terms and conditions of such indemnification or contribution. Some of the agents, underwriters or dealers, or their affiliates, may engage in transactions with or perform services for us and our subsidiaries in the ordinary course of their business.

LEGAL MATTERS

Gibson, Dunn & Crutcher LLP, Dallas, Texas, and Hunton & Williams LLP, Richmond, Virginia, have each rendered an opinion with respect to the validity of the securities that may be offered under this prospectus. We filed these opinions as exhibits to the registration statement of which this prospectus is a part. If counsel for any underwriters passes on legal matters in connection with an offering made under this prospectus, we will name that counsel in the prospectus supplement relating to that offering.

EXPERTS

The consolidated financial statements of Atmos Energy Corporation appearing in Atmos Energy Corporation's Annual Report (Form 10-K) for the year ended September 30, 2006 and Atmos Energy Corporation management's assessment of the effectiveness of internal control over financial reporting as of September 30, 2006 included therein have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon included therein, and incorporated herein by reference. Such consolidated financial statements and management's assessment have been incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission under the Securities Exchange Act of 1934. You may read and copy this information at the Public Reference Room of the SEC, 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. You may obtain information on the operation of the Public Reference Room by calling the SEC at (800) SEC-0330.

The SEC also maintains an internet Web site that contains reports, proxy statements and other information about issuers, like us, who file electronically with the SEC. The address of that site is www.sec.gov.

You can also inspect reports, proxy statements and other information about us at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed with the SEC a registration statement on Form S-3 that registers the securities we are offering. The registration statement, including the attached exhibits and schedules, contains additional relevant information about us and the securities offered. The rules and regulations of the SEC allow us to omit certain information included in the registration statement from this prospectus.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to “incorporate by reference” information in this prospectus that we have filed with it. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this prospectus, except for any information that is superseded by information that is included directly in this prospectus or any prospectus supplement relating to an offering of our securities.

We incorporate by reference into this prospectus the documents listed below and any future filings we make with the SEC under sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 prior to the termination of our offering of securities. These additional documents include periodic reports, such as annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K (other than information furnished under Items 2.02 and 7.01, which is deemed not to be incorporated by reference in this prospectus), as well as proxy statements. You should review these filings as they may disclose a change in our business, prospects, financial condition or other affairs after the date of this prospectus.

This prospectus incorporates by reference the documents listed below that we have filed with the SEC but have not been included or delivered with this document:

- Our annual report on Form 10-K for the year ended September 30, 2006; and
- Our current reports on Form 8-K filed with the SEC on October 20, 2006, November 13, 2006 and December 4, 2006.

These documents contain important information about us and our financial condition.

You may obtain a copy of any of these filings, or any of our future filings, from us without charge by requesting it in writing or by telephone at the following address or telephone number:

Atmos Energy Corporation
1800 Three Lincoln Centre
5430 LBJ Freeway
Dallas, Texas 75240
Attention: Susan Kappes Giles
(972) 934-9227

Our internet Web site address is www.atmosenergy.com. Information on or connected to our internet Web site is not part of this prospectus.

5,500,000 Shares



Atmos Energy Corporation

Common Stock

PROSPECTUS SUPPLEMENT
December 7, 2006

LEHMAN BROTHERS

GOLDMAN, SACHS & Co.

BANC OF AMERICA SECURITIES LLC

JPMORGAN

MERRILL LYNCH & Co.

SUNTRUST ROBINSON HUMPHREY

WACHOVIA SECURITIES

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Filed pursuant to Rule 424(b)(2)
File No. 333-158140

CALCULATION OF REGISTRATION FEE

Title of each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(1)(2)
8.50% Senior Notes Due 2019	\$450,000,000	\$25,110

- (1) Calculated in accordance with Rule 457(r) under the Securities Act.
- (2) The fee has been partially satisfied by applying, pursuant to Rule 457(p) under the Securities Act, \$21,879 of the previously paid filing fee of \$278,740 with respect to the initial offering price of securities that were previously registered pursuant to the registrant's prior registration statement on Form S-3 (SEC File No. 333-118706), initially filed on August 31, 2004, and that have not been sold thereunder. This "Calculation of Registration Fee" table shall be deemed to update the "Calculation of Registration Fee" table in the registrant's registration statement on Form S-3ASR (SEC File No. 333-158140).

Prospectus Supplement
March 23, 2009
(To Prospectus dated March 23, 2009)

\$450,000,000



Atmos Energy Corporation
8.50% Senior Notes due 2019

The notes will bear interest at the rate of 8.50% per year and will mature on March 15, 2019. We will pay interest on the notes on March 15 and September 15 of each year they are outstanding, beginning September 15, 2009. We may redeem the notes prior to maturity at our option, at any time in whole or from time to time in part, at a redemption price described in this prospectus supplement. See "Description of the Notes — Optional Redemption."

All of the notes are unsecured and rank equally with all of our other existing and future unsubordinated debt. The notes will be issued only in registered form in minimum denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof.

Investing in the notes involves risks. See "Risk Factors" on page S-6 of this prospectus supplement.

	<u>Per Note</u>	<u>Total</u>
Public offering price(1)	99.813%	\$449,158,500
Underwriting discount	0.650%	\$ 2,925,000
Proceeds, before expenses, to Atmos Energy	99.163%	\$446,233,500

(1) Plus accrued interest from March 26, 2009, if settlement occurs after that date.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the notes to investors in book-entry form only through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Banking, société anonyme, Luxembourg and/or Euroclear Bank S.A./N.V., on or about March 26, 2009.

Joint Book-Running Managers

Banc of America Securities LLC

Goldman, Sachs & Co.

RBS Greenwich Capital

**SunTrust Robinson
Humphrey**

Senior Co-Managers

BNP PARIBAS Morgan Stanley U.S. Bancorp Investments, Inc. UBS Investment Bank Wachovia Securities

Co-Managers

CALYON Comerica Securities Commerzbank Corporates & Markets Lloyds TSB Corporate Markets

Mitsubishi UFJ Securities Natixis Bleichroeder Inc. The Williams Capital Group, L.P.

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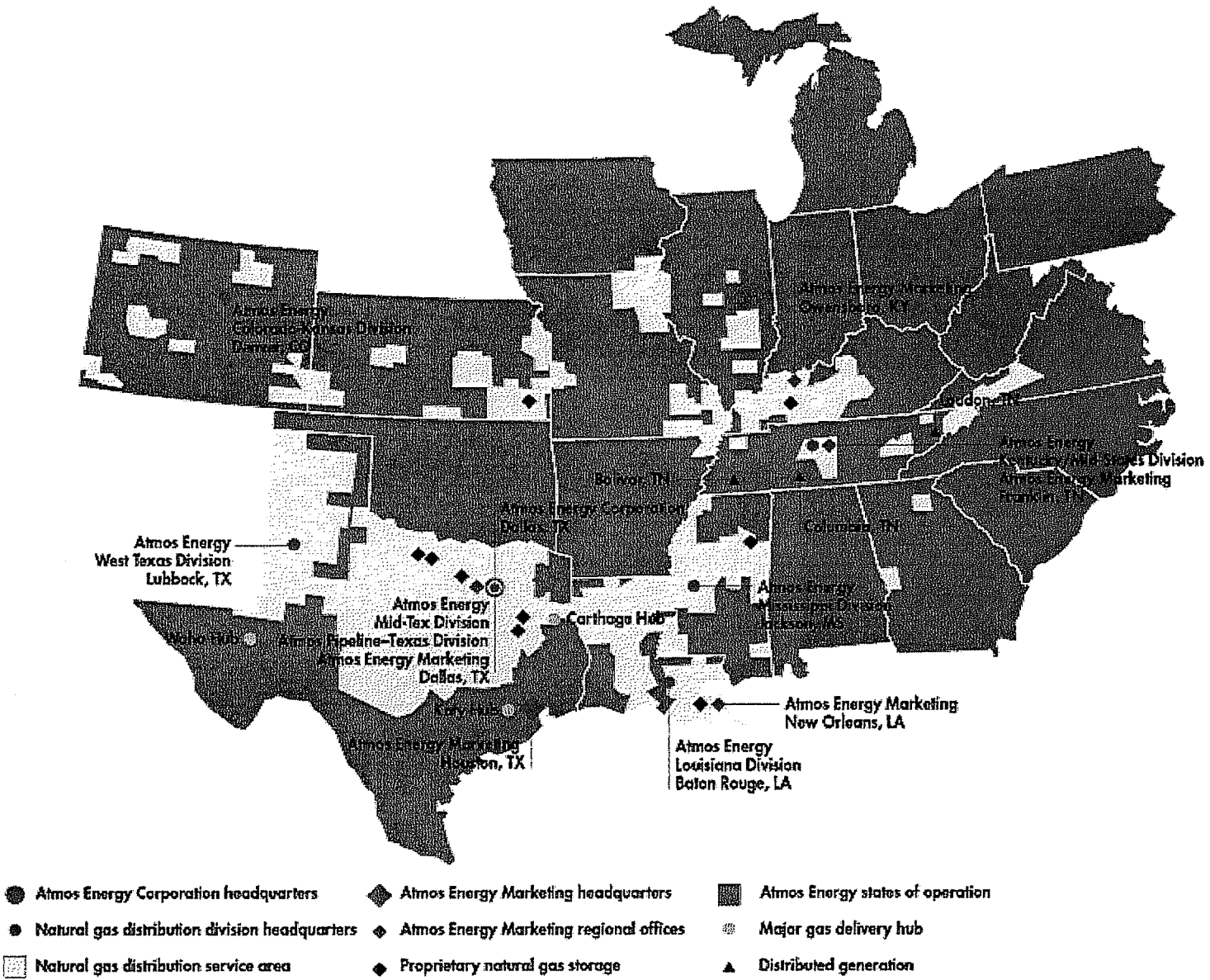


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Table of Contents**IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS**

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of the notes and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, dated March 23, 2009, which gives more general information, some of which does not apply to this offering. To the extent there is a conflict between the information contained in this prospectus supplement, the information contained in the accompanying prospectus or the information contained in any document incorporated by reference herein or therein, the information contained in the most recent document shall control. This prospectus supplement and the accompanying prospectus are a part of a registration statement that we filed with the Securities and Exchange Commission using the SEC's shelf registration rules.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus. We have not, and the underwriters have not, authorized any other person to provide you with information that is different. If anyone provides you with different or inconsistent information, you should not rely on it. See "Incorporation of Certain Documents by Reference" in this prospectus supplement and "Where You Can Find More Information" in the accompanying prospectus.

Neither Atmos Energy Corporation nor the underwriters are making an offer of these notes in any jurisdiction where the offer is not permitted.

The information contained in or incorporated by reference in this document is accurate only as of the date of this prospectus supplement or the date of such incorporated documents, regardless of the time of delivery of this prospectus supplement or of any sale of notes.

The terms "we," "our," "us" and "Atmos Energy" refer to Atmos Energy Corporation and its subsidiaries unless the context suggests otherwise. The term "you" refers to a prospective investor. The abbreviations "Mcf" and "MMBtu" mean thousand cubic feet and million British thermal units, respectively.

Table of Contents**INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

The SEC allows us to “incorporate by reference” information in this prospectus supplement and the accompanying prospectus that we have filed with it. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus, except for any information that is superseded by information that is included directly in this prospectus supplement or the accompanying prospectus.

We incorporate by reference in this prospectus supplement and the accompanying prospectus the documents listed below and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, prior to the termination of this offering. These additional documents include periodic reports, such as annual reports on Form 10-K and quarterly reports on Form 10-Q, and current reports on Form 8-K (other than information furnished under Items 2.02 and 7.01, which is deemed not to be incorporated by reference in this prospectus supplement or the accompanying prospectus), as well as proxy statements (other than information identified in them as not incorporated by reference). You should review these filings as they may disclose a change in our business, prospects, financial condition or other affairs after the date of this prospectus supplement. The information that we file later with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act and before the termination of this offering will automatically update and supersede previous information included or incorporated by reference in this prospectus supplement and the accompanying prospectus.

This prospectus supplement and the accompanying prospectus incorporate by reference the documents listed below that we have filed with the SEC but have not been included or delivered with this document:

- Our annual report on Form 10-K for the year ended September 30, 2008;
- Our quarterly report on Form 10-Q for the three-month period ended December 31, 2008;
- Our current reports on Form 8-K filed with the SEC on November 3, 2008, November 21, 2008, December 3, 2008, January 5, 2009 and February 6, 2009; and
- The following pages and captioned text contained in our definitive proxy statement for the annual meeting of shareholders on February 4, 2009 and incorporated into our annual report on Form 10-K: pages 3 through 5 under the caption “*Beneficial Ownership of Common Stock*,” pages 6 through 9 under the captions “*Election of Directors — Nominees for Director*” and “*— Directors Continuing in Office*,” pages 10 to 11 under the captions “*Corporate Governance and Other Board Matters — Independence of Directors*” and “*— Related Person Transactions*,” pages 13 to 14 under the captions “*Corporate Governance and Other Board Matters — Committees of the Board of Directors*” and “*— Other Board and Committee Matters — Human Resources Committee Interlocks and Insider Participation*,” pages 15 through 18 under the captions “*Director Compensation*” through to the end of “*Audit Committee-Related Matters — Independence of Audit Committee Members, Financial Literacy and Audit Committee Financial Experts*,” page 20 under the caption “*Audit-Committee Related Matters — Audit Committee Pre-Approval Policy*,” pages 20 through 30 under the caption “*Compensation Discussion and Analysis*,” and pages 31 through 45 under the caption “*Named Executive Officer Compensation*” through to the end of the caption “*Ratification of Appointment of Independent Registered Public Accounting Firm*.”

These documents contain important information about us and our financial condition.

You may obtain a copy of any of these filings, or any of our future filings, from us without charge by requesting it in writing or by telephone at the following address or telephone number:

Atmos Energy Corporation
1800 Three Lincoln Centre
5430 LBJ Freeway
Dallas, Texas 75240
Attention: Susan Giles

(972) 934-9227

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Statements contained or incorporated by reference in this prospectus supplement and the accompanying prospectus that are not statements of historical fact are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended. Forward-looking statements are based on management’s beliefs as well as assumptions made by, and information currently available to, management. Because such statements are based on expectations as to future results and are not statements of fact, actual results may differ materially from those stated. Important factors that could cause future results to differ include, but are not limited to:

- our ability to continue to access the credit markets to satisfy our liquidity requirements;
- the impact of economic conditions on our customers;
- increased costs of providing pension and post-retirement health care benefits and increased funding requirements;
- market risks beyond our control affecting our risk management activities, including market liquidity, commodity price volatility, increasing interest rates and counterparty creditworthiness;
- regulatory trends and decisions, including the impact of rate proceedings before various state regulatory commissions;
- increased federal regulatory oversight and potential penalties;
- the impact of environmental regulations on our business;
- the concentration of our distribution, pipeline and storage operations in Texas;
- adverse weather conditions;
- the effects of inflation and changes in the availability and prices of natural gas;
- the capital-intensive nature of our natural gas distribution business;
- increased competition from energy suppliers and alternative forms of energy;
- the inherent hazards and risks involved in operating our natural gas distribution business;
- natural disasters, terrorist activities or other events; and
- other risks and uncertainties discussed in this prospectus supplement, any accompanying prospectus and our other filings with the SEC.

All of these factors are difficult to predict and many are beyond our control. Accordingly, while we believe these forward-looking statements to be reasonable, there can be no assurance that they will approximate actual experience or that the expectations derived from them will be realized. When used in our documents or oral presentations, the words “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “goal,” “intend,” “objective,” “plan,” “projection,” “seek,” “strategy” or similar words are intended to identify forward-looking statements. We undertake no obligation to update or revise any of our forward-looking statements, whether as a result of new information, future events or otherwise.

For additional factors you should consider, please see “Risk Factors” on page S-6 of this prospectus supplement and Sections “Item 1A. Risk Factors” and “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our annual report on Form 10-K for the fiscal year ended September 30, 2008 and “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our quarterly report on Form 10-Q for the three-month period ended December 31, 2008. See “Incorporation of Certain Documents by Reference.”

Table of Contents**PROSPECTUS SUPPLEMENT SUMMARY**

You should read the following summary in conjunction with the more detailed information contained elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus.

Atmos Energy Corporation

Atmos Energy Corporation is engaged primarily in the regulated natural gas distribution and transmission and storage businesses, as well as other nonregulated natural gas businesses. We are one of the country's largest natural gas-only distributors based on number of customers. We distribute natural gas through sales and transportation arrangements to approximately 3.2 million residential, commercial, public authority and industrial customers in 12 states. We also operate one of the largest intrastate pipelines in Texas based upon miles of pipe.

Through our regulated transmission and storage business, we provide natural gas transportation and storage services to our Mid-Tex Division, our largest natural gas distribution division located in Texas, and for third parties. Additionally, we provide ancillary services customary to the pipeline industry, including parking arrangements, lending and sales of inventory on hand.

Through our nonregulated businesses, we primarily provide natural gas management and marketing services to municipalities, other local gas distribution companies and industrial customers primarily in the Midwest and Southeast. We also provide storage services to some of our natural gas distribution divisions and to third parties.

We operate Atmos Energy through the following four segments:

- the *natural gas distribution segment*, which includes our regulated natural gas distribution and related sales operations;
- the *regulated transmission and storage segment*, which includes the regulated pipeline and storage operations of our Atmos Pipeline — Texas Division;
- the *natural gas marketing segment*, which includes a variety of nonregulated natural gas management services; and
- the *pipeline, storage and other segment*, which is comprised of our nonregulated natural gas gathering, transmission and storage services.

We have experienced more than 20 consecutive years of increasing dividends and earnings growth after giving effect to our acquisitions. Historically, we achieved this record of growth through acquisitions while efficiently managing our operating and maintenance expenses and leveraging our technology, such as our 24-hour call centers, to achieve more efficient operations. Our last significant acquisition occurred in October 2004 with the purchase of the natural gas distribution and pipeline operations of TXU Gas Company (TXU Gas). The TXU Gas acquisition essentially doubled our number of natural gas distribution customers, by adding approximately 1.5 million gas customers in Texas, including the Dallas-Fort Worth metropolitan area and the northern suburbs of Austin. The acquisition also added approximately 6,100 miles of gas transmission and gathering lines and five underground storage reservoirs, all within Texas. In recent years, we have also achieved growth by implementing rate designs that reduce or eliminate regulatory lag and separate the recovery of our approved margins from customer usage patterns. In addition, we have developed various commercial opportunities within our regulated transmission and storage operations. Finally, we have strengthened our nonregulated businesses by increasing sales volumes and actively pursuing opportunities to increase the amount of storage available to us.

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Table of Contents**Recent Developments**

Declaration of Dividends. On February 3, 2009, our Board of Directors declared a quarterly dividend on our common stock of \$0.33 per share. The dividend was paid on March 10, 2009 to shareholders of record on February 25, 2009.

Appointment of Senior Vice President and Chief Financial Officer. On February 3, 2009, Fred E. Meisenheimer was appointed Senior Vice President and Chief Financial Officer of Atmos Energy, effective February 4, 2009. Mr. Meisenheimer also continues to serve as Controller, a position he has held since July 2000.

Annual Meeting Results. We held our annual shareholders meeting on February 4, 2009. At the meeting, our shareholders took the following actions: (i) elected Ruben E. Esquivel as a Class I director whose term will expire in 2011 and Richard W. Cardin, Thomas C. Meredith, Ed.D., Nancy K. Quinn, Stephen R. Springer and Richard Ware II as Class II directors whose terms will expire in 2012 and (ii) approved a shareholder proposal regarding declassification of our Board of Directors.

Our address is 1800 Three Lincoln Centre, 5430 LBJ Freeway, Dallas, Texas 75240, and our telephone number is (972) 934-9227. Our internet Web site address is www.atmosenergy.com. Information on or connected to our internet Web site is not part of this prospectus supplement or the accompanying prospectus.

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Table of Contents**Summary Financial Data**

The following table presents summary consolidated and segment financial data of Atmos Energy Corporation for the periods and as of the dates indicated. We derived the summary financial data for the fiscal years ended September 30, 2008, 2007, 2006, 2005 and 2004 from our audited consolidated financial statements and the summary financial data for the three months ended December 31, 2008 and 2007 from our unaudited condensed consolidated financial statements. Please note that, given the inherent seasonality in our business, the results of operations for the three months ended December 31, 2008 presented below are not necessarily indicative of results for the entire fiscal year. The information is only a summary and does not provide all of the information contained in our financial statements. Therefore, you should read the information presented below in conjunction with "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included in our annual report on Form 10-K for the fiscal year ended September 30, 2008, and "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" and our condensed consolidated financial statements and related notes included in our quarterly report on Form 10-Q for the three-month period ended December 31, 2008, each of which is incorporated by reference in this prospectus supplement and the accompanying prospectus. Our operating results include the impact of the acquisition of TXU Gas in October 2004. As a result, our consolidated financial data presented below include results from operations of TXU Gas from October 2004; therefore, comparisons with the fiscal year ended September 30, 2004 may not be meaningful.

	Three Months Ended		Year Ended September 30,				
	December 31,						
	2008	2007	2008	2007(1)	2006(1)	2005(2)	2004(3)
	(in thousands, except per share data)						
Consolidated Financial Data							
Operating revenues	\$1,716,332	\$1,657,510	\$7,221,305	\$5,898,431	\$6,152,363	\$4,961,873	\$2,920,037
Gross profit	395,212	369,638	1,321,326	1,250,082	1,216,570	1,117,637	562,191
Operating expenses	232,018	211,129	893,431	851,446	833,954	768,982	368,496
Operating income	163,194	158,509	427,895	398,636	382,616	348,655	193,695
Net income	75,963	73,803	180,331	168,492	147,737	135,785	86,227
Diluted net income							
per share	\$ 0.83	\$ 0.82	\$ 2.00	\$ 1.92	\$ 1.82	\$ 1.72	\$ 1.58
Cash dividends paid							
per share	\$ 0.330	\$ 0.325	\$ 1.30	\$ 1.28	\$ 1.26	\$ 1.24	\$ 1.22
Cash flows from							
operating activities	\$ 150,715	\$ 61,437	\$ 370,933	\$ 547,095	\$ 311,449	\$ 386,944	\$ 270,734
Capital expenditures	\$ 107,367	\$ 94,155	\$ 472,273	\$ 392,435	\$ 425,324	\$ 333,183	\$ 190,285

	As of December 31,		As of September 30,				
	2008	2007	2008	2007	2006	2005(2)	2004
	(in thousands)						
Consolidated Balance Sheet Data							
Total assets(4)	\$6,818,899	\$6,369,574	\$6,386,699	\$5,895,197	\$5,719,547	\$5,610,547	\$2,902,658
Debt							
Long-term debt(5)	\$1,719,920	\$2,124,915	\$2,119,792	\$2,126,315	\$2,180,362	\$2,183,104	\$ 861,311
Short-term debt(5)	761,340	205,862	351,327	154,430	385,602	148,073	5,908
Total debt	\$2,481,260	\$2,330,777	\$2,471,119	\$2,280,745	\$2,565,964	\$2,331,177	\$ 867,219
Shareholders' equity	\$2,078,076	\$2,032,483	\$2,052,492	\$1,965,754	\$1,648,098	\$1,602,422	\$1,133,459

See footnotes on following page.

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	<u>Three Months</u> <u>Ended December 31,</u>		<u>Year Ended September 30,</u>				
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007(1)</u>	<u>2006(1)</u>	<u>2005(2)</u>	<u>2004(6)</u>
	<i>(in thousands, except ratios)</i>						
Segment Operating							
Income							
Natural gas distribution	\$112,505	\$ 97,503	\$261,165	\$221,187	\$201,894	\$236,365	\$159,890
Regulated transmission and storage	19,370	22,254	89,745	79,830	63,326	65,840	—
Natural gas marketing	20,513	34,699	56,392	75,040	102,235	40,985	27,726
Pipeline, storage and other	10,720	3,967	20,249	22,235	14,924	5,264	6,045
Eliminations	86	86	344	344	237	201	34
Consolidated	<u>\$163,194</u>	<u>\$158,509</u>	<u>\$427,895</u>	<u>\$398,636</u>	<u>\$382,616</u>	<u>\$348,655</u>	<u>\$193,695</u>
Other Financial Data							
Ratio of earnings to fixed charges(7)	3.97	4.09	2.96	2.69	2.50	2.54	2.95
Pro forma ratio of earnings to fixed charges(8)	3.48	—	2.56	—	—	—	—
<p>(1) Financial results for fiscal 2007 and 2006 include a \$6.3 million and a \$22.9 million pre-tax loss for the impairment of certain assets.</p> <p>(2) Financial results for fiscal 2005 include the operations of our Mid-Tex and Atmos Pipeline — Texas divisions, from October 1, 2004, the date of acquisition.</p> <p>(3) Financial results for fiscal 2004 include a \$5.9 million pre-tax gain on the sale of our interest in U.S. Propane, L.P. and Heritage Propane Partners, L.P.</p> <p>(4) Effective September 30, 2008, we classified our cash collateral or the obligation to return cash into risk management assets and/or liabilities, as appropriate, in accordance with FSP FIN 39-1. Total assets as of December 31, 2007 and September 30, 2007, 2005 and 2004 also reflect this new classification. This reclassification had no impact on total assets as of September 30, 2006 and it did not impact our financial position, results of operations or cash flows for any of the periods presented above.</p> <p>(5) Long-term debt excludes current maturities. Short-term debt is comprised of current maturities of long-term debt and short-term debt.</p> <p>(6) Restated to conform to current segment reporting.</p> <p>(7) For purposes of computing ratio of earnings to fixed charges, earnings consist of the sum of our pretax income from continuing operations and fixed charges. Fixed charges consist of interest expense, amortization of debt discount, premium and expense, capitalized interest and a portion of lease payments considered to represent an interest factor.</p> <p>(8) The pro forma ratio of earnings to fixed charges gives effect to the issuance of the notes, the redemption of our \$400 million 4.00% Senior Notes due 2009 (assuming a redemption date of May 1, 2009) and the settlement of the Treasury lock agreement described in "Use of Proceeds" as of the beginning of the periods indicated.</p>							

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The Offering	
Issuer	Atmos Energy Corporation
Notes Offered	\$450,000,000 aggregate principal amount of 8.50% senior notes due 2019.
Maturity	The notes will mature on March 15, 2019.
Interest	The notes will bear interest at the rate of 8.50% per year. Interest on the notes will be payable semi-annually in arrears on March 15 and September 15 of each year they are outstanding, beginning on September 15, 2009.
Ranking	The notes will be our unsecured senior obligations. The notes will rank equally in right of payment with all our existing and future unsubordinated indebtedness and will rank senior in right of payment to any future indebtedness that is subordinated to the notes. The notes will be effectively subordinated to all our existing and future secured indebtedness to the extent of the assets securing such indebtedness and to the indebtedness and liabilities of our subsidiaries.
Optional Redemption	We may redeem the notes prior to maturity at our option, at any time in whole or from time to time in part, at a redemption price equal to the greater of the principal amount of the notes to be redeemed and the “make-whole” redemption price, plus, in each case, accrued and unpaid interest, if any, to the redemption date, as described in “Description of the Notes — Optional Redemption” on page S-14.
Covenants of the Indenture	We will issue the notes under an indenture which will, among other things, restrict our ability to create liens and to enter into sale and leaseback transactions. See “Description of Debt Securities — Covenants” beginning on page 8 of the accompanying prospectus.
Ratings	The notes will be rated “Baa3” by Moody’s Investors Services, “BBB+” by Standard & Poor’s Rating Services, a division of The McGraw-Hill Company, Inc., and “BBB+” by Fitch IBCA, Inc. None of these ratings is a recommendation to buy, sell or hold the notes. Each rating is subject to revision or withdrawal at any time and should be evaluated independently of any other rating.
Use of Proceeds	We estimate that our net proceeds from this offering, after deducting the underwriting discount and estimated offering expenses payable by us, will be approximately \$446 million. We intend to use the net proceeds of this offering to redeem our \$400 million 4.00% Senior Notes due 2009 and for general corporate purposes. See “Use of Proceeds” on page S-6.
<p><i>See “Risk Factors” on page S-6 of this prospectus supplement and other information included and incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of the factors you should consider carefully before deciding to invest in the notes.</i></p>	

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Table of Contents**RISK FACTORS**

Investing in the notes involves risks. Our business is influenced by many factors that are difficult to predict and beyond our control and that involve uncertainties that may materially affect our results of operations, financial condition or cash flows, or the value of the notes. These risks and uncertainties include those described in the risk factor and other sections of the documents that are incorporated by reference in this prospectus supplement and the accompanying prospectus, including "Item 1A. Risk Factors" in our annual report on Form 10-K for the fiscal year ended September 30, 2008. The risks and uncertainties incorporated by reference are not the only risks and uncertainties we may confront. Moreover, risks and uncertainties not presently known to us or currently deemed immaterial by us may also adversely affect our business, results of operations, financial condition or cash flows, or the value of the notes. You should carefully consider these risks and uncertainties and all of the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus before you invest in the notes.

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately \$446 million, after deducting the underwriting discount and estimated offering expenses payable by us.

We intend to use the majority of the net proceeds from this offering to redeem our \$400 million 4.00% Senior Notes due 2009, which we refer to as the 2009 notes. The 2009 notes mature on October 15, 2009 and the interest rate on the 2009 notes is 4% per year. The terms of the 2009 notes permit us to redeem the 2009 notes in full, at a price equal to the greater of (i) the aggregate principal amount of the 2009 notes and (ii) the present values of the remaining scheduled payments of principal and interest on the 2009 notes discounted to the redemption date at an adjusted treasury rate plus 15 basis points, plus accrued and unpaid interest to the redemption date, upon 30 days notice. If we deliver a notice of redemption to the holders of our 2009 notes with a redemption date of May 1, 2009, the aggregate amount required to redeem the 2009 notes, including accrued and unpaid interest, will be approximately \$407 million.

We intend to use the balance of the net proceeds for general corporate purposes, including the repayment of short-term debt outstanding under our revolving credit facilities. We have been using the proceeds of borrowings under our revolving credit facilities for working capital and other general corporate purposes.

In March 2009, we entered into an agreement to fix the Treasury yield component of a notional principal amount of \$450 million in notes, which we refer to as the Treasury lock agreement. We have terminated the Treasury lock agreement and have received approximately \$2 million in connection with the settlement.

Table of Contents**CAPITALIZATION**

The following table presents our cash and cash equivalents, short-term debt and capitalization as of December 31, 2008, on an actual basis and as adjusted to reflect the issuance of notes in this offering, the redemption of our 2009 notes (assuming a redemption date of May 1, 2009) and the settlement of the Treasury lock agreement. The table below assumes that approximately \$2 million had been received in connection with the Treasury lock agreement. You should read this table in conjunction with the section entitled "Use of Proceeds" and our condensed consolidated financial statements and related notes included in our quarterly report on Form 10-Q for the three-month period ended December 31, 2008, which is incorporated by reference in this prospectus supplement and the accompanying prospectus.

	<u>As of December 31, 2008</u>	
	<u>Actual</u>	<u>As Adjusted</u>
	<u>(in thousands)</u>	
Cash and cash equivalents	<u>\$ 69,799</u>	<u>\$ 69,799</u>
Short-term debt		
Current portion of long-term debt	\$ 400,507	\$ 507
Other short-term debt	360,833	319,483
Total short-term debt	<u>\$ 761,340</u>	<u>\$ 319,990</u>
Long-term debt, less current portion	<u>\$1,719,920</u>	<u>\$ 2,169,079</u>
Shareholders' equity		
Common stock, no par value (stated at \$.005 per share); 200,000,000 shares authorized; 91,599,495 shares issued and outstanding, actual and as adjusted	458	458
Additional paid-in capital	1,757,834	1,757,834
Retained earnings	381,633	381,633
Accumulated other comprehensive loss	(61,849)	(60,675)
Shareholders' equity	<u>2,078,076</u>	<u>2,079,250</u>
Total capitalization(1)	<u>\$3,797,996</u>	<u>\$ 4,248,329</u>

(1) Total capitalization excludes the current portion of long-term debt and other short-term debt.

Table of Contents**BUSINESS****Overview**

Atmos Energy Corporation, headquartered in Dallas, Texas, is engaged primarily in the regulated natural gas distribution and transmission and storage businesses, as well as other nonregulated natural gas businesses. We are one of the country's largest natural gas-only distributors based on number of customers and one of the largest intrastate pipeline operators in Texas based upon miles of pipe.

We distribute natural gas through regulated sales and transportation arrangements to approximately 3.2 million residential, commercial, public authority and industrial customers through our six regulated natural gas distribution divisions, which cover service areas in 12 states. Our primary service areas are located in Colorado, Kansas, Kentucky, Louisiana, Mississippi, Tennessee and Texas. We have more limited service areas in Georgia, Illinois, Iowa, Missouri and Virginia. In addition, we transport natural gas for others through our distribution system.

Through our regulated transmission and storage business, we provide natural gas transportation and storage services to our Mid-Tex Division, our largest natural gas distribution division located in Texas, and for third parties. Additionally, we provide ancillary services customary to the pipeline industry, including parking arrangements, lending and sales of inventory on hand.

Through our nonregulated businesses, we primarily provide natural gas management and marketing services to municipalities, other local gas distribution companies and industrial customers primarily in the Midwest and Southeast. We also provide storage services to some of our natural gas distribution divisions and to third parties.

Operating Segments

We operate Atmos Energy through the following four segments:

- the *natural gas distribution segment*, which includes our regulated natural gas distribution and related sales operations;
- the *regulated transmission and storage segment*, which includes the regulated pipeline and storage operations of our Atmos Pipeline — Texas Division;
- the *natural gas marketing segment*, which includes a variety of nonregulated natural gas management services; and
- the *pipeline, storage and other segment*, which is comprised of our nonregulated natural gas gathering, transmission and storage services.

Natural Gas Distribution Segment

We operate our natural gas distribution segment through the following six regulated divisions, which are presented below in order of total customers served:

- Atmos Energy Mid-Tex Division;
- Atmos Energy Kentucky/Mid-States Division;
- Atmos Energy Louisiana Division;
- Atmos Energy West Texas Division;
- Atmos Energy Mississippi Division; and
- Atmos Energy Colorado-Kansas Division.

The following is a brief description of our natural gas distribution divisions. We operate in our service areas under terms of non-exclusive franchise agreements granted by the various cities and towns that we serve.

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At September 30, 2008, we held 1,107 franchises having terms generally ranging from five to 35 years. A significant number of our franchises expire each year, which require renewal prior to the end of their terms. We believe that we will be able to renew our franchises as they expire. For more information, see "Item 1. Business" in our annual report on Form 10-K for the fiscal year ended September 30, 2008.

Atmos Energy Mid-Tex Division. Our Mid-Tex Division serves approximately 550 incorporated and unincorporated communities in the north-central, eastern and western parts of Texas, including the Dallas/Fort Worth Metroplex. The governing body of each municipality we serve has original jurisdiction over all gas distribution rates, operations and services within its city limits, except with respect to sales of natural gas for vehicle fuel and agricultural use. The Railroad Commission of Texas (RRC) has exclusive appellate jurisdiction over all rate and regulatory orders and ordinances of the municipalities and exclusive original jurisdiction over rates and services to customers not located within the limits of a municipality.

Prior to fiscal 2008, this division operated under one system-wide rate structure. However, in the second quarter of 2008, we reached a settlement with cities representing approximately 80 percent of this division's customers that will allow us to update rates for customers in these cities through an annual rate review mechanism. Rates for the remaining 20 percent of this division's customers, including the City of Dallas, continue to be updated through periodic formal rate proceedings and filings made under Texas' Gas Reliability Infrastructure Program (GRIP). GRIP allows us to include in our rate base annually approved capital costs incurred in the prior calendar year provided that we file a complete rate case at least once every five years.

Atmos Energy Kentucky/Mid-States Division. Our Kentucky/Mid-States Division operates in more than 420 communities across Georgia, Illinois, Iowa, Kentucky, Missouri, Tennessee and Virginia. The service areas in these states are primarily rural; however, this division serves Franklin, Tennessee and other suburban areas of Nashville. We update our rates in this division through periodic formal rate filings made with each state's public service commission.

Atmos Energy Louisiana Division. In Louisiana, we serve nearly 300 communities, including the suburban areas of New Orleans, the metropolitan area of Monroe and western Louisiana. Direct sales of natural gas to industrial customers in Louisiana who use gas for fuel or in manufacturing processes and sales of natural gas for vehicle fuel are exempt from regulation and are recognized in our natural gas marketing segment. Our rates in this division are updated annually through a stable rate filing without filing a formal rate case.

Atmos Energy West Texas Division. Our West Texas Division serves approximately 80 communities in West Texas, including the Amarillo, Lubbock and Midland areas. Like our Mid-Tex Division, each municipality we serve has original jurisdiction over all gas distribution rates, operations and services within its city limits, with the RRC having exclusive appellate jurisdiction over the municipalities and exclusive original jurisdiction over rates and services to customers not located within the limits of a municipality. Prior to fiscal 2008, rates were updated in this division through formal rate proceedings. However, during 2008, the West Texas Division entered into agreements with its Lubbock and West Texas service areas to update rates for customers in these service areas through an annual rate review mechanism. Rates for the division's Amarillo service area continue to be updated through periodic formal rate proceedings and filings made under GRIP.

Atmos Energy Mississippi Division. In Mississippi, we serve about 110 communities throughout the northern half of the state, including the Jackson metropolitan area. Our rates in the Mississippi Division are updated annually through a stable rate filing without filing a formal rate case.

Atmos Energy Colorado-Kansas Division. Our Colorado-Kansas Division serves approximately 170 communities throughout Colorado and Kansas and portions of Missouri, including the cities of Olathe, Kansas, a suburb of Kansas City and Greeley, Colorado, located near Denver. We update our rates in this division through periodic formal rate filings made with each state's public service commission.

Regulated Transmission and Storage Segment Overview

Our regulated transmission and storage segment consists of the regulated pipeline and storage operations of our Atmos Pipeline — Texas Division. This division transports natural gas to our Mid-

Tex Division,

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transports natural gas for third parties and manages five underground storage reservoirs in Texas. We also provide ancillary services customary in the pipeline industry including parking arrangements, lending and sales of inventory on hand. Parking arrangements provide short-term interruptible storage of gas on our pipeline. Lending services provide short-term interruptible loans of natural gas from our pipeline to meet market demands. These operations represent one of the largest intrastate pipeline operations in Texas with a heavy concentration in the established natural gas-producing areas of central, northern and eastern Texas, extending into or near the major producing areas of the Texas Gulf Coast and the Delaware and Val Verde Basins of West Texas. Nine basins located in Texas are believed to contain a substantial portion of the nation's remaining onshore natural gas reserves. This pipeline system provides access to all of these basins. Gross profit earned from our Mid-Tex Division and through certain other transportation and storage services is subject to traditional ratemaking governed by the RRC. However, Atmos Pipeline — Texas' existing regulatory mechanisms allow certain transportation and storage services to be provided under market-based rates with minimal regulation.

Natural Gas Marketing Segment Overview

Our natural gas marketing activities are conducted through Atmos Energy Marketing (AEM), which is wholly-owned by Atmos Energy Holdings, Inc. (AEH). AEH is a wholly-owned subsidiary of Atmos Energy and operates primarily in the Midwest and Southeast areas of the United States. AEM aggregates and purchases gas supply, arranges transportation and storage logistics and ultimately delivers gas to customers at competitive prices. To facilitate this process, we utilize proprietary and customer-owned transportation and storage assets to provide various services our customers request, including furnishing natural gas supplies at fixed and market-based prices, contract negotiation and administration, load forecasting, gas storage acquisition and management services, transportation services, peaking sales and balancing services, capacity utilization strategies and gas price hedging through the use of financial instruments. As a result, our revenues arise from the types of commercial transactions we have structured with our customers and include the value we extract by optimizing the storage and transportation capacity we own or control as well as revenues for services we deliver.

Our asset optimization activities seek to maximize the economic value associated with the storage and transportation capacity we own or control. We attempt to meet this objective by engaging in natural gas storage transactions in which we seek to find and profit from the pricing differences that occur over time. We purchase physical natural gas and then sell financial instruments at advantageous prices to lock in a gross profit margin. We also seek to participate in transactions in which we combine the natural gas commodity and transportation costs to minimize our costs incurred to serve our customers by identifying the lowest cost alternative within the natural gas supplies, transportation and markets to which we have access. Through the use of transportation and storage services and financial instruments, we are able to capture gross profit margin through the arbitrage of pricing differences in various locations and by recognizing pricing differences that occur over time.

AEM's management of natural gas requirements involves the sale of natural gas and the management of storage and transportation supplies under contracts with customers generally having one- to two-year terms. AEM also sells natural gas to some of its industrial customers on a delivered burner tip basis under contract terms ranging from 30 days to two years.

Pipeline, Storage and Other Segment Overview

Our pipeline, storage and other segment primarily consists of the operations of Atmos Pipeline and Storage, LLC (APS) and Atmos Power Systems, Inc., which are each wholly-owned by AEH.

APS owns and operates a 21-mile pipeline located in New Orleans, Louisiana. This pipeline is primarily used to aggregate gas supply for our regulated natural gas distribution division in Louisiana and for AEM. However, it also provides limited third party transportation services. APS also owns or has an interest in underground storage fields in Kentucky and Louisiana. We use these storage facilities to reduce the need to contract for additional pipeline capacity to meet customer demand during peak periods. Finally, beginning in

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fiscal 2006, APS initiated activities in the natural gas gathering business. As of September 30, 2008, these activities were limited in nature.

APS also engages in limited asset optimization activities whereby it seeks to maximize the economic value associated with the storage and transportation capacity it owns or controls. Most of these arrangements are with our regulated affiliates and have been approved by applicable state regulatory commissions. Generally, these arrangements require APS to share with our regulated customers a portion of the profits earned from these arrangements.

Through Atmos Power Systems, Inc., we have constructed electric peaking power-generating plants and associated facilities and lease these plants through lease agreements that are accounted for as sales under generally accepted accounting principles.

Other Regulation

Each of our natural gas distribution divisions is regulated by various state or local public utility authorities. We are also subject to regulation by the United States Department of Transportation with respect to safety requirements in the operation and maintenance of our gas distribution facilities. In addition, our distribution operations are also subject to various state and federal laws regulating environmental matters. From time to time we receive inquiries regarding various environmental matters. We believe that our properties and operations substantially comply with and are operated in substantial conformity with applicable safety and environmental statutes and regulations. There are no administrative or judicial proceedings arising under environmental quality statutes pending or known to be contemplated by governmental agencies which would have a material adverse effect on us or our operations. Our environmental claims have arisen primarily from former manufactured gas plant sites in Tennessee, Iowa and Missouri.

FERC allows, pursuant to Section 311 of the Natural Gas Policy Act, gas transportation services through our Atmos Pipeline — Texas assets “on behalf of” interstate pipelines or local distribution companies served by interstate pipelines, without subjecting these assets to the jurisdiction of FERC. FERC also has jurisdiction over some of the types of transactions engaged in by our two nonregulated operations segments, including sales of natural gas in the wholesale gas market and the use and release of interstate pipeline and storage capacity. FERC has adopted rules designed to prevent market power abuse, fraud and market manipulation by companies engaged in the sale, purchase, transportation or storage of natural gas in interstate commerce. We are currently under investigation by FERC for possible violations of its posting and competitive bidding regulations for pre-arranged released firm capacity on interstate natural gas pipelines. We are cooperating with the investigation, are conducting our own investigation of this matter and are taking action to structure current and future transactions to comply with applicable FERC regulations. Although we believe that our reserves are appropriate for the potential penalties, we are currently unable to provide assurance as to the ultimate outcome of this matter.

The RRC has issued a final rule requiring the replacement of known compression couplings at pre-bent gas meter risers by November 2009. This rule affects the operations of the Mid-Tex Division but is presently not anticipated to have a significant impact on our West Texas Division. This rule requires us to expend significant amounts of capital in the Mid-Tex Division, but these prudent and mandatory expenditures should be recoverable through our rates.

Competition

Although our natural gas distribution operations are not currently in significant direct competition with any other distributors of natural gas to residential and commercial customers within our service areas, we do compete with other natural gas suppliers and suppliers of alternative fuels for sales to industrial customers. We compete in all aspects of our business with alternative energy sources, including, in particular, electricity. Electric utilities offer electricity as a rival energy source and compete for the space heating, water heating and cooking markets. Promotional incentives, improved equipment efficiencies and promotional rates all contribute to the acceptability of electrical equipment. The principal means to compete against alternative fuels is lower prices, and natural gas historically has maintained its price advantage in the residential, commercial and

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industrial markets. However, higher gas prices, coupled with the electric utilities' marketing efforts, have increased competition for residential and commercial customers. In addition, AEM competes with other natural gas marketers to provide natural gas management and other related services to customers.

Our regulated transmission and storage operations currently face limited competition from other existing intrastate pipelines and gas marketers seeking to provide or arrange transportation, storage and other services for customers.

Distribution, Transmission and Related Assets

At September 30, 2008, our natural gas distribution segment owned an aggregate of 77,462 miles of underground distribution and transmission mains throughout our gas distribution systems. These mains are located on easements or rights-of-way which generally provide for perpetual use. We maintain our mains through a program of continuous inspection and repair and believe that our system of mains is in good condition. Our regulated transmission and storage segment owned 6,069 miles of gas transmission and gathering lines and our pipeline, storage and other segment owned 114 miles of gas transmission and gathering lines.

Storage Assets

As of September 30, 2008, we owned underground gas storage facilities in several states to supplement the supply of natural gas in periods of peak demand. The underground gas storage facilities of our natural gas distribution segment had a total usable capacity of 10,343,590 Mcf, with a maximum daily delivery capacity of 232,100 Mcf. The underground gas storage facilities of our regulated transmission and storage segment had a total usable capacity of 39,243,226 Mcf, with a maximum daily delivery capacity of 1,235,000 Mcf. The underground gas storage facilities of our pipeline, storage and other segment had a total usable capacity of 3,931,483 Mcf, with a maximum daily delivery capacity of 127,000 Mcf.

Additionally, we contract for storage service in underground storage facilities on many of the interstate pipelines serving us to supplement our proprietary storage capacity. The amount of our contracted storage capacity can vary from time to time. At September 30, 2008, our contracted storage provided us with a maximum storage quantity of 27,371,388 MMBtu, with a maximum daily withdrawal quantity of 778,800 MMBtu, for our natural gas distribution segment, a maximum storage quantity of 7,879,724 MMBtu, with a maximum daily withdrawal quantity of 202,586 MMBtu, for our natural gas marketing segment, and a maximum storage quantity of 1,200,000 MMBtu, with a maximum daily withdrawal quantity of 55,720 MMBtu, for our pipeline, storage and other segment.

For more information on our storage assets see "Item 2. Properties" in our annual report on Form 10-K for the fiscal year ended September 30, 2008.

Table of Contents**DESCRIPTION OF THE NOTES**

We have summarized certain provisions of the notes below. The notes constitute a series of the debt securities described in the accompanying prospectus. The notes will be issued under an indenture to be entered into with U.S. Bank National Association, as trustee (the "indenture").

The following description of certain terms of the notes and certain provisions of the indenture in this prospectus supplement supplements the description under "Description of Debt Securities" in the accompanying prospectus and, to the extent it is inconsistent with that description, replaces the description in the accompanying prospectus. This description is only a summary of the material terms and does not purport to be complete. We urge you to read the indenture, a form of which we have filed with the SEC, because it, and not the description below and in the accompanying prospectus, will define your rights as a holder of the notes. We will file the indenture as an exhibit to a current report on Form 8-K at the completion of this offering. You may obtain a copy of the indenture from us without charge. See "Where You Can Find More Information" in the accompanying prospectus.

General

The notes will be initially limited to \$450,000,000 aggregate principal amount. We may, at any time, without the consent of the holders of these notes, issue additional notes having the same ranking, interest rate, maturity and other terms as the notes. Any such additional notes, together with the notes being offered by this prospectus supplement, will constitute the same series of notes under the indenture.

The notes will be unsecured and unsubordinated obligations of Atmos Energy Corporation. Any secured debt that we may have from time to time will have a prior claim with respect to the assets securing that debt. As of December 31, 2008, we had no secured debt outstanding. The notes will rank equally with all of our other existing and future unsubordinated debt. As of December 31, 2008, after giving effect to the redemption of our 4.00% Senior Notes due 2009 on such date with the net proceeds of this offering, we had approximately \$2.2 billion of unsecured and unsubordinated debt. Of such \$2.2 billion, \$1 million represented debt of our subsidiaries. The notes are not guaranteed by, and are not the obligation of, any of our subsidiaries. The notes will not be listed on any securities exchange or included in any automated quotation system.

The notes will be issued in book-entry form as one or more global notes registered in the name of the nominee of The Depository Trust Company, or DTC, which will act as a depository, in minimum denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof. Beneficial interests in book-entry notes will be shown on, and transfers of the notes will be made only through, records maintained by DTC and its participants.

Payment of Principal and Interest

The notes will mature on March 15, 2019 and bear interest at the rate of 8.50% per year.

We will pay interest on the notes semi-annually in arrears on March 15 and September 15 of each year they are outstanding, beginning September 15, 2009. Interest will accrue from March 26, 2009 or from the most recent interest payment date to which we have paid or provided for the payment of interest to the next interest payment date or the scheduled maturity date, as the case may be. We will pay interest computed on the basis of a 360-day year of twelve 30-day months.

We will pay interest on the notes in immediately available funds to the persons in whose names such notes are registered at the close of business on March 1 or September 1 preceding the respective interest payment date. At maturity, we will pay the principal of the notes in immediately available funds upon delivery of such notes to the trustee.

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Each of the notes offered hereby will be redeemable prior to maturity at our option, at any time in whole or from time to time in part, at a redemption price equal to the greater of:

- 100% of the principal amount of the notes to be redeemed; and
- as determined by the Quotation Agent (defined below), the sum of the present values of the Remaining Scheduled Payments (defined below) of principal and interest on the notes to be redeemed discounted to the redemption date on a semi-annual basis assuming a 360-day year consisting of twelve 30-day months at the Adjusted Treasury Rate (defined below) plus 50 basis points;

plus, in each case, accrued and unpaid interest on the principal amount of the notes to be redeemed to the redemption date.

Definitions. Following are definitions of the terms used in the optional redemption provisions discussed above.

“Adjusted Treasury Rate” means, for any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for that redemption date.

“Comparable Treasury Issue” means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term of the notes to be redeemed that would be used, at the time of a selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the notes to be redeemed.

“Comparable Treasury Price” means, for any redemption date, the Reference Treasury Dealer Quotation for that redemption date.

“Quotation Agent” means the Reference Treasury Dealer appointed by us.

“Reference Treasury Dealer” means Banc of America Securities LLC and its successors; provided, however, if Banc of America Securities LLC ceases to be a primary U.S. government securities dealer in New York City, we will replace Banc of America Securities LLC as Reference Treasury Dealer with an entity that is a primary U.S. government securities dealer in New York City.

“Reference Treasury Dealer Quotation” means, with respect to any redemption date, the average, as determined by the trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed, in each case, as a percentage of its principal amount) quoted in writing to the trustee by the Reference Treasury Dealer by 5:00 p.m. on the third business day preceding the redemption date.

“Remaining Scheduled Payments” means, with respect to each note to be redeemed, the remaining scheduled payments of the principal and interest on such note that would be due after the related redemption date but for such redemption; provided, however, that if such redemption date is not an interest payment date, the amount of the next succeeding scheduled interest payment on such note will be reduced by the amount of interest accrued on such note to such redemption date.

In the case of a partial redemption of the notes, the notes to be redeemed shall be selected by DTC. Notice of any redemption will be mailed by first class mail at least 30 days but not more than 60 days before the redemption date to each holder of the notes to be redeemed at its registered address. If any notes are to be redeemed in part only, the notice of redemption will state the portion of the principal amount of notes to be redeemed. A partial redemption will not reduce the portion of any note not being redeemed to a principal amount of less than \$2,000. A new note in a principal amount equal to the unredeemed portion of the note will be issued in the name of the holder of the note upon surrender for cancellation of the original note. Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the notes or the portions of the notes called for redemption.

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Table of Contents**No Mandatory Redemption**

We will not be required to redeem the notes before maturity.

No Sinking Fund

We will not be required to make any sinking fund payments with regard to the notes.

Restricted Subsidiaries

As of the date of this prospectus supplement, none of our subsidiaries would be considered a Restricted Subsidiary under the terms of the indenture.

Governing Law

The notes will be governed by and construed in accordance with the laws of the State of New York.

Book-Entry Delivery and Settlement

We will issue the notes in the form of one or more permanent global securities in definitive, fully registered, book-entry form. The global securities will be deposited with or on behalf of DTC and registered in the name of Cede & Co., as nominee of DTC, or will remain in the custody of the trustee in accordance with arrangements between DTC and the trustee.

If you wish to hold securities through the DTC system, you must either be a direct participant in DTC or hold through a direct participant in DTC. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations that have accounts with DTC. For those holders of notes outside the United States, Euroclear and Clearstream (both described below) participate in DTC through their New York depositaries. Indirect participants are securities brokers and dealers, banks and trust companies that do not have an account with DTC, but that clear through or maintain a custodial relationship with a direct participant. Thus, indirect participants have access to the DTC system through direct participants or through other indirect participants that have access through a direct participant.

If you so choose, you may hold your beneficial interests in the global security through Euroclear or Clearstream, or indirectly through organizations that are participants in such systems. Euroclear and Clearstream will hold their participants' beneficial interests in the global security in their customers' securities accounts with their depositaries. These depositaries of Euroclear and Clearstream in turn will hold such interests in their customers' securities accounts with DTC.

In sum, you may elect to hold your beneficial interests in the notes:

- in the United States, through DTC;
- outside the United States, through Euroclear or Clearstream; or
- through organizations that participate in such systems.

DTC may grant proxies or authorize its participants (or persons holding beneficial interests in the global securities through these participants) to exercise any rights of a holder or take any other actions that a holder is entitled to take under the indenture or the notes. The ability of Euroclear or Clearstream to take actions as a holder of the notes under the indenture will be limited by the ability of their respective depositaries to carry out such actions for them through DTC. Euroclear and Clearstream will take such actions only in accordance with their respective rules and procedures.

The information in this section concerning DTC, Euroclear and Clearstream and their book-entry systems has been obtained from sources we believe to be reliable, but we make no representation or warranty with respect to this information. DTC, Euroclear and Clearstream are under no obligation to perform or continue to perform the procedures described below, and they may modify or discontinue them at any time. We and the trustee will not be responsible for DTC's, Euroclear's or Clearstream's performance of their obligations under their rules and procedures, or for the performance by direct or indirect participants of their obligations under the rules and procedures of the clearance systems.

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Transfers within DTC, Euroclear and Clearstream will be in accordance with the usual rules and operating procedures of the relevant system. Cross-market transfers between investors who hold or who will hold any notes through DTC and investors who hold or will hold any notes through Euroclear or Clearstream will be effected in DTC through the respective depositories of Euroclear and Clearstream.

The Clearing Systems

The Depository Trust Company. DTC has advised us as follows:

- DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered under Section 17A of the Securities Exchange Act of 1934;
- DTC holds securities that its participants deposit with DTC and facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants’ accounts, thereby eliminating the need for physical movement of securities certificates;
- direct participants include securities brokers and dealers (including the underwriters), banks, trust companies, clearing corporations and other organizations;
- DTC is owned by a number of its direct participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc.;
- access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly; and
- the rules applicable to DTC and its participants are on file with the SEC.

Euroclear. Euroclear was created in 1968 to hold securities for its participants and to clear and settle transactions between its participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Transactions may now be settled in many currencies, including U.S. dollars and euros. Euroclear includes various other services, including securities lending and borrowing, and interfaces with domestic markets in several countries.

Euroclear is operated by Euroclear Bank S.A./N.V., which we refer to as the Euroclear Operator, under contract with Euroclear Clearance System, S.C., a Belgian cooperative corporation, or the Cooperative. The Euroclear Operator conducts all operations, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear participants. Euroclear participants include banks (including central banks), the dealer manager, other securities brokers and dealers and other professional financial intermediaries.

Indirect access to Euroclear is also available to others that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly. Euroclear is an indirect participant in DTC. As the Euroclear Operator is a Belgian banking corporation, Euroclear is regulated and examined by the Belgian Banking and Finance Commission and the National Bank of Belgium.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law, collectively referred to as the Euroclear Terms and Conditions. The Euroclear Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific securities clearance accounts. The Euroclear Operator acts under the terms and conditions only on behalf of Euroclear participants and has no record of or relationship with persons holding securities through Euroclear participants.

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Distributions with respect to notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the Euroclear Terms and Conditions, to the extent received by the depositary for Euroclear.

Clearstream. Clearstream is incorporated under the laws of Luxembourg as a professional depositary. Clearstream holds securities for its participating organizations and facilitates the clearance and settlement of securities transactions between its participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Clearstream provides to its participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing.

Clearstream interfaces with domestic markets in several countries. Clearstream has established an electronic bridge with Euroclear Bank S.A./N.V., the operator of the Euroclear system, to facilitate settlement of trades between Clearstream and Euroclear. As a professional depositary, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector. Clearstream participants are financial institutions around the world, other securities brokers and dealers, banks, trust companies and clearing corporations and certain other organizations. In the United States, Clearstream participants are limited to securities brokers and dealers and banks. Indirect access to Clearstream is also available to others that clear through or maintain a custodial relationship with a Clearstream participant, either directly or indirectly.

Distributions with respect to notes held beneficially through Clearstream will be credited to cash accounts of Clearstream participants in accordance with its rules and procedures, to the extent received by the depositary for Clearstream.

Initial Settlement

We expect that under procedures established by DTC:

- upon deposit of the global securities with DTC or its custodian, DTC will credit on its internal system the accounts of direct participants designated by the underwriters with portions of the principal amounts of the global securities; and
- ownership of the securities will be shown on, and the transfer of ownership thereof will be effected only through, records maintained by DTC or its nominee, with respect to interests of direct participants, and the records of direct and indirect participants, with respect to interests of persons other than participants.

Euroclear and Clearstream will hold omnibus positions on behalf of their participants through customers' securities accounts for Euroclear and Clearstream on the books of their respective depositaries, which in turn will hold positions in customers' securities accounts in the depositaries' names on the books of DTC.

The notes that we issue in this offering will be credited to the securities custody accounts of persons who hold those global securities through DTC (other than through accounts at Euroclear and Clearstream) on the closing date and to persons who hold those global securities through Euroclear or Clearstream on the business day following the closing date.

So long as DTC or its nominee is the registered owner of a global security, DTC or that nominee will be considered the sole owner or holder of the notes represented by that global security for all purposes under the indenture and under the notes. Except as provided below, owners of beneficial interests in a global security will not be entitled to have notes represented by that global security registered in their names, will not receive or be entitled to receive physical delivery of certificated notes and will not be considered the owners or holders thereof under the indenture or under the notes for any purpose, including with respect to the giving of any direction, instruction or approval to the trustee. Accordingly, each holder owning a beneficial interest in a global security must rely on the procedures of DTC and, if that holder is not a direct or indirect participant, on the procedures of the participant through which that holder owns its interest, to exercise any rights of a holder of notes under the indenture or the global security.

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Neither we nor the trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of the notes by DTC, or for maintaining, supervising or reviewing any records of DTC relating to the notes.

Payments on the notes represented by the global securities will be made to DTC or its nominee, as the case may be, as the registered owner thereof. We expect that DTC or its nominee, upon receipt of any payment on the notes represented by a global security, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the global security as shown in the records of DTC or its nominee. We also expect that payments by participants to owners of beneficial interests in the global security held through such participants will be governed by standing instructions and customary practice as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. The participants will be responsible for those payments.

Payments on the notes represented by the global securities will be made in immediately available funds. Transfers between participants in DTC will be effected in accordance with DTC rules and will be settled in immediately available funds.

Transfers Within and Between DTC, Euroclear and Clearstream

Trading Between DTC Purchasers and Sellers. DTC participants will transfer interests in the securities among themselves in the ordinary way according to DTC rules governing global security issues. The laws of some states require certain purchasers of securities to take physical delivery of the securities in definitive form. These laws may impair your ability to transfer beneficial interests in the global security or securities to such purchasers. DTC can act only on behalf of its direct participants, who in turn act on behalf of indirect participants and certain banks. Thus, your ability to pledge a beneficial interest in the global security or securities to persons that do not participate in the DTC system, and to take other actions, may be limited because you will not possess a physical certificate that represents your interest.

Trading Between Euroclear and Clearstream Participants. Participants in Euroclear and Clearstream will transfer interests in the securities among themselves in the ordinary way according to the rules and operating procedures of Euroclear and Clearstream governing conventional eurobonds.

Trading Between a DTC Seller and a Euroclear or Clearstream Purchaser. When the securities are to be transferred from the account of a DTC participant to the account of a Euroclear or Clearstream participant, the purchaser must first send instructions to Euroclear or Clearstream through a participant at least one business day prior to the closing date. Euroclear or Clearstream will then instruct its depository to receive the securities and make payment for them. On the closing date, the depository will make payment to the DTC participant's account and the securities will be credited to the depository's account. After settlement has been completed, DTC will credit the securities to Euroclear or Clearstream. Euroclear or Clearstream will credit the securities, in accordance with its usual procedures, to the participant's account, and the participant will then credit the purchaser's account. These securities credits will appear the next day (European time) after the closing date. The cash debit from the account of Euroclear or Clearstream will be back-valued to the value date (which will be the preceding day if settlement occurs in New York). If settlement is not completed on the intended value date (*i.e.* , the trade fails), the cash debit will instead be valued at the actual closing date.

Participants in Euroclear and Clearstream will need to make funds available to Euroclear or Clearstream to pay for the securities by wire transfer on the value date. The most direct way of doing this is to preposition funds (*i.e.* , have funds in place at Euroclear or Clearstream before the value date), either from cash on hand or existing lines of credit. Under this approach, however, participants may take on credit exposure to Euroclear and Clearstream until the securities are credited to their accounts one day later.

As an alternative, if Euroclear or Clearstream has extended a line of credit to a participant, the participant may decide not to preposition funds, but to allow Euroclear or Clearstream to draw on the line of credit to finance settlement for the securities. Under this procedure, Euroclear or Clearstream would charge the participant overdraft charges for one day, assuming that the overdraft would be cleared when the securities were credited to the participant's account. However, interest on the

securities would accrue from the value

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date. Therefore, in these cases the interest income on securities that the participant earns during that one-day period will substantially reduce or offset the amount of the participant's overdraft charges. Of course, this result will depend on the cost of funds to (*i.e.* , the interest rate that Euroclear or Clearstream charges) each participant.

Since the settlement will occur during New York business hours, a DTC participant selling an interest in the security can use its usual procedures for transferring global securities to the depositories of Euroclear or Clearstream for the benefit of Euroclear or Clearstream participants. The DTC seller will receive the sale proceeds on the closing date. Thus, to the DTC seller, a cross-market sale will settle no differently than a trade between two DTC participants.

Finally, day traders that use Euroclear or Clearstream to purchase interests in the notes from DTC accountholders for delivery to Euroclear or Clearstream participants should note that these trades will automatically fail on the sale side unless affirmative action is taken. At least three techniques should be readily available to eliminate this potential problem:

- borrowing through Euroclear or Clearstream for one day, until the purchase side of the day trade is reflected in their Euroclear or Clearstream accounts, in accordance with the clearing system's customary procedures;
- borrowing the interests in the United States from a DTC accountholder no later than one day prior to settlement, which would give the interests sufficient time to be reflected in their Euroclear or Clearstream account in order to settle the sale side of the trade; or
- staggering the value date for the buy and sell sides of the trade so that the value date for the purchase from the DTC accountholder is at least one day prior to the value date for the sale to the Euroclear or Clearstream participant.

Trading Between a Euroclear or Clearstream Seller and DTC Purchaser. Due to time zone differences in their favor, Euroclear and Clearstream participants can use their usual procedures to transfer securities through their depositories to a DTC participant. The seller must first send instructions to Euroclear or Clearstream through a participant at least one business day prior to the closing date. Euroclear or Clearstream will then instruct its depository to credit the securities to the DTC participant's account and receive payment. The payment will be credited in the account of the Euroclear or Clearstream participant on the following day, but the receipt of the cash proceeds will be back-valued to the value date (which will be the preceding day if settlement occurs in New York). If settlement is not completed on the intended value date (*i.e.* , the trade fails), the receipt of the cash proceeds will instead be valued at the actual closing date.

If the Euroclear or Clearstream participant selling the securities has a line of credit with Euroclear or Clearstream and elects to be in debit for the securities until it receives the sale proceeds in its account, then the back-valuation may substantially reduce or offset any overdraft charges that the participant incurs over that one-day period.

Certificated Notes

We will issue certificated notes to each person that DTC identifies as the beneficial owner of the notes represented by the global securities upon surrender by DTC of the global securities only if:

- DTC notifies us that it is no longer willing or able to act as a depository for the global securities, and we have not appointed a successor depository within 60 days of that notice;
- we determine not to have the notes represented by a global security; or
- an event of default has occurred and is continuing.

Neither we nor the trustee will be liable for any delay by DTC, its nominee or any direct or indirect participant in identifying the beneficial owners of the related notes. We and the trustee may conclusively rely on, and will be protected in relying on, instructions from DTC or its nominee for all purposes, including with respect to the registration and delivery, and the respective principal amounts, of the notes to be issued.

Table of Contents**MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS**

Prospective investors should consult their tax advisors with regard to the application of the U.S. federal income tax laws to their particular situations, as well as any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

The following summary discusses certain material U.S. federal income tax consequences of the acquisition, ownership and disposition of the notes. This discussion is based upon the Internal Revenue Code of 1986, as amended (the "Code"), the applicable proposed or promulgated Treasury regulations, and the applicable judicial and administrative interpretations, all as in effect as of the date hereof and all of which are subject to change, possibly with retroactive effect, and to differing interpretations. This discussion is applicable only to holders of notes who purchase the notes in the initial offering at their original issue price and deals only with the notes held as capital assets for U.S. federal income tax purposes (generally, property held for investment) and not held as part of a straddle, a hedge, a conversion transaction or other integrated investment. This discussion is a summary intended for general information only, and does not address all of the tax consequences that may be relevant to holders of notes in light of their particular circumstances, or to certain types of holders (such as financial institutions, insurance companies, tax-exempt entities, partnerships and other pass-through entities for U.S. federal income tax purposes or investors who hold the notes through such pass-through entities, certain former citizens or residents of the United States, "controlled foreign corporations," "passive foreign investment companies," "foreign personal holding companies," traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, dealers in securities or currencies, or U.S. Holders (as defined below) whose functional currency is not the U.S. dollar). Moreover, this discussion does not describe any state, local or non-U.S. tax implications, or any aspect of U.S. federal tax law other than income taxation. We have not and will not seek any rulings or opinions from the Internal Revenue Service (IRS) or counsel regarding the matters discussed below. There can be no assurances that the IRS will not take positions concerning the tax consequences of the purchase, ownership or disposition of the notes that are different from those discussed below.

As used herein, a "U.S. Holder" means a beneficial owner of notes that is, for U.S. federal income tax purposes, (a) a citizen or individual resident of the United States, (b) a corporation or other entity treated as a corporation created or organized in or under the laws of the United States, any State thereof or the District of Columbia, (c) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (d) a trust, if (1) a court within the United States is able to exercise primary supervision over the trust's administration and one or more U.S. persons have the authority to control all of its substantial decisions or (2) a valid election to be treated as a U.S. person is in effect under the relevant Treasury regulations with respect to such trust. A "Non-U.S. Holder" means a beneficial owner of any notes that is neither a U.S. Holder nor a partnership for U.S. federal income tax purposes. A Non-U.S. Holder who is an individual present in the United States for 183 days or more in the taxable year of disposition of a note and who is not otherwise a resident of the United States for U.S. federal income tax purposes may be subject to special tax provisions and is urged to consult his or her own tax advisor regarding the U.S. federal income tax consequences of the ownership and disposition of a note. The U.S. federal income tax treatment of partners in partnerships holding notes generally will depend on the activities of the partnership and the status of the partner. Prospective investors that are partnerships (or entities treated as partnerships for U.S. federal income tax purposes) should consult their own tax advisors regarding the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of the notes.

U.S. Federal Income Taxation of U.S. Holders

Payments of Interest. A U.S. Holder must include in gross income, as ordinary interest income, the stated interest on the notes at the time such interest accrues or is received in accordance with the U.S. Holder's regular method of accounting for U.S. federal income tax purposes.

Sale, Retirement or Other Taxable Disposition. Upon the sale, retirement or other taxable disposition of a note, a U.S. Holder generally will recognize taxable gain or tax loss equal to the difference between (a) the sum of cash plus the fair market value of other property received on the sale, retirement or other taxable

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disposition (except to the extent such cash or property is attributable to accrued but unpaid interest, which will be treated in the manner described above under "Payments of Interest") and (b) the U.S. Holder's adjusted tax basis in the note. A U.S. Holder's adjusted tax basis in a note generally will equal the amount paid for the note, reduced by any principal payments with respect to the note received by the U.S. Holder. Gain or loss recognized on the sale, retirement or other taxable disposition of a note generally will be capital gain or loss and will be long-term capital gain or loss if, at the time of sale, retirement or other taxable disposition, the note has been held for more than one year. Certain U.S. Holders (including individuals) are currently eligible for preferential rates of U.S. federal income tax in respect of long-term capital gain (which preferential rates are currently scheduled to increase on January 1, 2011). The deductibility of capital losses by U.S. Holders is subject to substantial limitations under the Code.

U.S. Federal Income Taxation of Non-U.S. Holders

Payments of Interest. Subject to the discussion of backup withholding below and provided that a Non-U.S. Holder's income and gains in respect of a note are not effectively connected with the conduct by the Non-U.S. Holder of a U.S. trade or business (or, in the case of an applicable tax treaty, attributable to the Non-U.S. Holder's permanent establishment in the United States), payments of interest on a note to the Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax, provided that (a) the Non-U.S. Holder does not own, directly or constructively, 10% or more of the total combined voting power of all classes of our stock entitled to vote within the meaning of section 871(h)(3) of the Code and the Treasury regulations thereunder, (b) the Non-U.S. Holder is not, for U.S. federal income tax purposes, a "controlled foreign corporation" related, directly or constructively, to us through stock ownership, (c) the Non-U.S. Holder is not a bank receiving interest described in section 881(c)(3)(A) of the Code and (d) certain certification requirements (as described below) are met.

Under the Code and the applicable Treasury regulations, in order to obtain an exemption from U.S. federal withholding tax, either (a) a Non-U.S. Holder must provide its name and address and certify, under penalties of perjury, that such Non-U.S. Holder is not a U.S. person or (b) a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business (a "Financial Institution"), and that holds the notes on behalf of the Non-U.S. Holder, must certify, under penalties of perjury, that such certificate has been received from such Non-U.S. Holder by such Financial Institution or by another Financial Institution between such Financial Institution and such Non-U.S. Holder and, if required, must furnish the payor with a copy thereof. Generally, the foregoing certification requirement may be met if a Non-U.S. Holder delivers a properly executed IRS Form W-8BEN or substitute Form W-8BEN or the appropriate successor form to the payor. Special rules apply to foreign partnerships, estates and trusts and other intermediaries, and in certain circumstances certifications as to foreign status of partners, trust owners or beneficiaries may have to be provided. In addition, special rules apply to qualified intermediaries that enter into withholding agreements with the IRS.

Payments of interest on a note that do not satisfy all of the foregoing requirements generally will be subject to U.S. federal withholding tax at a rate of 30% (or a lower applicable treaty rate, provided certain certification requirements are met). A Non-U.S. Holder generally will be subject to U.S. federal income tax in the same manner as a U.S. Holder with respect to interest on a note if such interest is effectively connected with a U.S. trade or business conducted by the Non-U.S. Holder (or, if an income tax treaty applies, is attributable to a permanent establishment or fixed base maintained by the Non-U.S. Holder in the United States). Under certain circumstances, effectively connected interest income received by a corporate Non-U.S. Holder may be subject to an additional "branch profits tax" at a 30% rate (or a lower applicable treaty rate, provided certain certification requirements are met). Subject to the discussion of backup withholding below, such effectively connected interest income generally will be exempt from U.S. federal withholding tax if a Non-U.S. Holder delivers a properly executed IRS Form W-8ECI to the payor. Non-U.S. Holders should consult their tax advisors about any applicable income tax treaties, which may provide for an exemption from or a lower rate of withholding tax, exemption from or reduction of branch profits tax, or other rules different from those described above.

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Sale, Retirement or Other Disposition. Subject to the discussion of backup withholding below, a Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax on any gain recognized on the sale, retirement or other disposition of the notes so long as the holder provides us or the paying agent with the appropriate certification, unless (a) the Non-U.S. Holder is an individual who is present in the United States for 183 or more days in the taxable year of disposition and certain other conditions are met or (b) the gain is effectively connected with the conduct of a U.S. trade or business by the Non-U.S. Holder (or, if an income tax treaty applies, is attributable to a permanent establishment or fixed base maintained by the Non-U.S. Holder in the United States).

Information Reporting and Backup Withholding

U.S. Holders. Generally, information reporting will apply to payments of principal and interest on the notes to a U.S. Holder and to the proceeds of sale or other disposition of the notes, unless the U.S. Holder is an exempt recipient (such as a corporation). Backup withholding generally will apply to such payments (currently at a rate of 28%), if a U.S. Holder fails to provide a correct taxpayer identification number or a certification of exempt status or fails to report in full dividend and interest income. Any amount withheld under the backup withholding rules generally will be allowed as a refund or credit against a U.S. Holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

Non-U.S. Holders. Generally, payments of interest on the notes to a Non-U.S. Holder and the amount of any tax withheld from such payments must be reported annually to the IRS and to the Non-U.S. Holder. Copies of these information returns may be made available by the IRS to the tax authorities of the country in which the Non-U.S. Holder is a resident under the provisions of an applicable tax treaty. Under certain circumstances, information reporting also would apply to payments of principal on the notes, and backup withholding of U.S. federal income tax (currently at a rate of 28%) may apply to payments of principal and interest on the notes to a Non-U.S. Holder if the Non-U.S. Holder fails to certify under penalties of perjury that it is not a U.S. person.

Payments of the proceeds of the sale or other disposition of the notes by or through a foreign office of a U.S. broker or of a foreign broker with certain specified U.S. connections will be subject to information reporting requirements, but generally not backup withholding, unless the broker has evidence in its records that the payee is not a U.S. person and the broker has no actual knowledge or reason to know to the contrary. Payments of the proceeds of a sale or other disposition of the notes by or through the U.S. office of a broker will be subject to information reporting and backup withholding unless the payee certifies under penalties of perjury that it is not a U.S. person or otherwise establishes an exemption.

Any amount withheld under the backup withholding rules generally will be allowed as a refund or credit against a Non-U.S. Holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

Table of Contents**UNDERWRITING**

We are offering the notes described in this prospectus supplement through a number of underwriters. Banc of America Securities LLC, Goldman, Sachs & Co., Greenwich Capital Markets, Inc. and SunTrust Robinson Humphrey, Inc. are the representatives of the underwriters. We have entered into a firm commitment underwriting agreement with the representatives. Subject to the terms and conditions of the underwriting agreement, we have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, the aggregate principal amount of notes listed next to its name in the following table:

<u>Underwriter</u>	<u>Principal Amount of Note</u>
Banc of America Securities LLC	\$ 90,000,000
Goldman, Sachs & Co.	67,500,000
Greenwich Capital Markets, Inc.	67,500,000
SunTrust Robinson Humphrey, Inc.	67,500,000
BNP Paribas Securities Corp.	22,500,000
Morgan Stanley & Co. Incorporated	22,500,000
U.S. Bancorp Investments, Inc.	22,500,000
UBS Securities LLC	22,500,000
Wachovia Capital Markets, LLC	22,500,000
Calyon Securities (USA) Inc.	6,444,000
Comerica Securities, Inc.	6,426,000
Commerzbank Capital Markets Corp.	6,426,000
Lloyds TSB Bank plc	6,426,000
Mitsubishi UFJ Securities (USA), Inc.	6,426,000
Natixis Bleichroeder Inc.	6,426,000
The Williams Capital Group, L.P.	6,426,000
Total	<u>\$ 450,000,000</u>

The underwriting agreement is subject to a number of terms and conditions and provides that the underwriters must buy all of the notes if they buy any of them. The underwriters will sell the notes to the public when and if the underwriters buy the notes from us.

The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

The underwriters have advised us that they propose initially to offer the notes to the public at the public offering prices set forth on the cover of this prospectus supplement, and to certain dealers at such price less a concession not in excess of 0.400% of the principal amount of the notes. The underwriters may allow, and such dealers may reallow, a concession not in excess of 0.250% of the principal amount of the notes to certain other dealers. After the public offering of the notes, the public offering price and other selling terms may be changed.

We estimate that our share of the total expenses of the offering, excluding the underwriting discount, will be approximately \$575,000.

We have agreed to indemnify the underwriters against, or contribute to payments that the underwriters may be required to make in respect of, certain liabilities, including liabilities under the Securities Act of 1933.

The notes are a new issue of securities with no established trading market. The notes will not be listed on any securities exchange or on any automated dealer quotation system. The underwriters may make a market in the notes after completion of the offering, but will not be obligated to do so and may discontinue any market-making activities at any time without notice. No assurance can be given as to the liquidity of the trading market for the notes or that an active public market for the notes will develop. If an active public market for the notes does not develop, the market price and liquidity of the notes may be adversely affected.

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In connection with the offering of the notes, certain of the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the notes. Specifically, the underwriters may overallocate in connection with the offering, creating a short position. In addition, the underwriters may bid for, and purchase, the notes in the open market to cover short positions or to stabilize the price of the notes. Any of these activities may stabilize or maintain the market price of the notes above independent market levels, but no representation is made hereby of the magnitude of any effect that the transactions described above may have on the market price of the notes. The underwriters will not be required to engage in these activities, and may engage in these activities, and may end any of these activities, at any time without notice.

In the ordinary course of business, certain of the underwriters or their affiliates have provided and may in the future provide commercial, financial advisory or investment banking services for us and our subsidiaries for which they have received or will receive customary compensation. Certain of the underwriters are lenders under our revolving credit facilities.

Lloyds TSB Bank plc is not a U.S. registered broker-dealer and, therefore, to the extent that it intends to effect any sales in the United States, it will do so through one or more U.S. registered broker-dealers as permitted by applicable regulations.

Selling Restrictions

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of notes to the public in that Relevant Member State at any time:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43 million and (3) an annual net turnover of more than €50 million, as shown in its last annual or consolidated accounts;
- (c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives for any such offer; or
- (d) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of notes to the public” in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each underwriter has also represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of

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Section 21 of the Financial Services and Markets Act 2000 (“FSMA”) received by it in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the FSMA would not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

LEGAL MATTERS

Gibson, Dunn & Crutcher LLP, Dallas, Texas, and Hunton & Williams LLP, Richmond, Virginia, will opine for us as to the validity of the offered notes. The Underwriters are represented by Shearman & Sterling LLP, New York, New York.

EXPERTS

The consolidated financial statements of Atmos Energy appearing in Atmos Energy Corporation’s annual report (Form 10-K) for the fiscal year ended September 30, 2008 (including the schedule appearing therein) and the effectiveness of Atmos Energy Corporation’s internal control over financial reporting as of September 30, 2008 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

With respect to the unaudited condensed consolidated interim financial information of Atmos Energy for the three-month periods ended December 31, 2008 and 2007, incorporated herein by reference, Ernst & Young LLP reported that they have applied limited procedures in accordance with professional standards for a review of such information. However, their separate report dated February 3, 2009, included in our quarterly report on Form 10-Q for the three-month period ended December 31, 2008, and incorporated herein by reference, states that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. Ernst & Young LLP is not subject to the liability provisions of Section 11 of the Securities Act of 1933, as amended, for their report on the unaudited interim financial information because that report is not a “report” or a “part” of the registration statement prepared or certified by Ernst & Young LLP within the meaning of Sections 7 and 11 of the Securities Act of 1933.

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PROSPECTUS



Atmos Energy Corporation

**By this prospectus, we offer up to
\$900,000,000
of debt securities and common stock.**

We will provide specific terms of these securities in supplements to this prospectus. This prospectus may not be used to sell securities unless accompanied by a prospectus supplement. You should read this prospectus and the applicable prospectus supplement carefully before you invest.

Investing in these securities involves risks. See “Risk Factors” on page 1 of this prospectus, in the applicable prospectus supplement and in the documents incorporated by reference.

Our common stock is listed on the New York Stock Exchange under the symbol “ATO.”

Our address is 1800 Three Lincoln Centre, 5430 LBJ Freeway, Dallas, Texas 75240, and our telephone number is (972) 934-9227.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This prospectus is dated March 23, 2009.

We have not authorized any other person to provide you with any information or to make any representation that is different from, or in addition to, the information and representations contained in this prospectus or in any of the documents that are incorporated by reference in this prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this prospectus, as well as the information contained in any document incorporated by reference, is accurate as of the date of each such document only, unless the information specifically indicates that another date applies.

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The distribution of this prospectus may be restricted by law in certain jurisdictions. You should inform yourself about and observe any of these restrictions. This prospectus does not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which the offer or solicitation is not authorized, or in which the person making the offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make the offer or solicitation.

The terms “we,” “our,” “us” and “Atmos Energy” refer to Atmos Energy Corporation and its subsidiaries unless the context suggests otherwise. The term “you” refers to a prospective investor.

Table of Contents**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

Statements contained or incorporated by reference in this prospectus that are not statements of historical fact are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended. Forward-looking statements are based on management’s beliefs as well as assumptions made by, and information currently available to, management. Because such statements are based on expectations as to future results and are not statements of fact, actual results may differ materially from those stated. Important factors that could cause future results to differ include, but are not limited to:

- our ability to continue to access the credit markets to satisfy our liquidity requirements;
- the impact of economic conditions on our customers;
- increased costs of providing pension and postretirement health care benefits and increased funding requirements;
- market risks beyond our control affecting our risk management activities, including market liquidity, commodity price volatility, increasing interest rates and counterparty creditworthiness;
- regulatory trends and decisions, including the impact of rate proceedings before various state regulatory commissions;
- increased federal regulatory oversight and potential penalties;
- the impact of environmental regulations on our business;
- the concentration of our distribution, pipeline and storage operations in Texas;
- adverse weather conditions;
- the effects of inflation and changes in the availability and prices of natural gas;
- the capital-intensive nature of our natural gas distribution business;
- increased competition from energy suppliers and alternative forms of energy;
- the inherent hazards and risks involved in operating our natural gas distribution business;
- natural disasters, terrorist activities or other events; and
- other risks and uncertainties discussed in this prospectus, any accompanying prospectus supplement and our other filings with the SEC.

All of these factors are difficult to predict and many are beyond our control. Accordingly, while we believe these forward-looking statements to be reasonable, there can be no assurance that they will approximate actual experience or that the expectations derived from them will be realized. When used in our documents or oral presentations, the words “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “goal,” “intend,” “objective,” “plan,” “projection,” “seek,” “strategy” or similar words are intended to identify forward-looking statements. We undertake no obligation to update or revise our forward-looking statements, whether as a result of new information, future events or otherwise.

For additional factors you should consider, please see “Risk Factors” on page 1 of this prospectus and “Item 1A. Risk Factors” and “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our annual report on Form 10-K for the fiscal year ended September 30, 2008 and “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our quarterly report on Form 10-Q for the three-month period ended December 31, 2008. See “Incorporation of Certain Documents by Reference,” as well as the applicable prospectus supplement.

Table of Contents**RISK FACTORS**

Investing in our debt securities or our common stock involves risks. Our business is influenced by many factors that are difficult to predict and beyond our control and that involve uncertainties that may materially affect our results of operations, financial condition or cash flows, or the value of these securities. These risks and uncertainties include those described in the risk factor and other sections of the documents that are incorporated by reference in this prospectus. Moreover, risks and uncertainties not presently known to us or currently deemed immaterial by us may also adversely affect our business, results of operations, financial condition or cash flows, or the value of the securities. Subsequent prospectus supplements may contain a discussion of additional risks applicable to an investment in us and the particular type of securities we are offering under the prospectus supplements. You should carefully consider all of the information contained in or incorporated by reference in this prospectus or in the applicable prospectus supplement before you invest in our debt securities or common stock.

ATMOS ENERGY CORPORATION

Atmos Energy Corporation, headquartered in Dallas, Texas, is engaged primarily in the regulated natural gas distribution and transmission and storage businesses, as well as other nonregulated natural gas businesses. We are one of the country's largest natural gas-only distributors based on number of customers and one of the largest intrastate pipeline operators in Texas based upon miles of pipe.

We distribute natural gas through regulated sales and transportation arrangements to approximately 3.2 million residential, commercial, public authority and industrial customers through our six regulated natural gas distribution divisions, which cover service areas in 12 states. Our primary service areas are located in Colorado, Kansas, Kentucky, Louisiana, Mississippi, Tennessee and Texas. We have more limited service areas in Georgia, Illinois, Iowa, Missouri and Virginia. In addition, we transport natural gas for others through our distribution system.

Through our regulated transmission and storage business, we provide natural gas transportation and storage services to our Mid-Tex Division, our largest natural gas distribution division located in Texas, and for third parties. Additionally, we provide ancillary services customary to the pipeline industry, including parking arrangements, lending and sales of inventory on hand.

Through our nonregulated businesses, we primarily provide natural gas management and marketing services to municipalities, other local gas distribution companies and industrial customers primarily in the Midwest and Southeast. We also provide storage services to some of our natural gas distribution divisions and to third parties.

SECURITIES WE MAY OFFER**Types of Securities**

The types of securities that we may offer and sell from time to time by this prospectus are:

- debt securities, which we may issue in one or more series; and
- common stock.

The aggregate initial offering price of all securities sold will not exceed \$900,000,000. We will determine when we sell securities, the amounts of securities we will sell and the prices and other terms on which we will sell them. We may sell securities to or through underwriters, through agents or dealers or directly to purchasers. The offer and sale of securities by this prospectus is subject to receipt of satisfactory regulatory approvals in five states, all of which have been received and are currently in effect. Under the most restrictive of these approvals, we are limited to issuing no more than \$450,000,000 of senior debt securities, \$150,000,000 of subordinated debt securities and \$300,000,000 of equity securities.

Table of Contents**Prospectus Supplements**

This prospectus provides you with a general description of the debt securities and common stock we may offer. Each time we offer securities, we will provide a prospectus supplement that will contain specific information about the terms of the offering. The prospectus supplement may also add to or change information contained in this prospectus. In that case, the prospectus supplement should be read as superseding this prospectus.

In each prospectus supplement, which will be attached to the front of this prospectus, we will include, among other things, the following information:

- the type and amount of securities which we propose to sell;
- the initial public offering price of the securities;
- the names of the underwriters, agents or dealers, if any, through or to which we will sell the securities;
- the compensation, if any, of those underwriters, agents or dealers;
- if applicable, information about the securities exchanges or automated quotation systems on which the securities will be listed or traded;
- material United States federal income tax considerations applicable to the securities, where necessary; and
- any other material information about the offering and sale of the securities.

For more details on the terms of the securities, you should read the exhibits filed with our registration statement, of which this prospectus is a part. You should also read both this prospectus and the applicable prospectus supplement, together with additional information described under the heading "Where You Can Find More Information."

USE OF PROCEEDS

Except as may otherwise be stated in the applicable prospectus supplement, we intend to use the net proceeds from the sale of the securities that we may offer and sell from time to time by this prospectus for general corporate purposes, including for working capital, repaying indebtedness and funding capital projects, acquisitions and other growth.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of earnings to fixed charges for the periods indicated:

	Three Months		Year Ended				
	Ended December 31,		September 30,				
	2008	2007	2008	2007	2006	2005	2004
Ratio of earnings to fixed charges	3.97	4.09	2.96	2.69	2.50	2.54	2.95

For purposes of computing the ratio of earnings to fixed charges, earnings consists of the sum of our pretax income from continuing operations and fixed charges. Fixed charges consist of interest expense, amortization of debt discount, premium and expense, capitalized interest and a portion of lease payments considered to represent an interest factor.

DESCRIPTION OF DEBT SECURITIES

We may issue debt securities from time to time in one or more distinct series. This section summarizes the material terms of any debt securities that we anticipate will be common to all series. Please note that the terms of any series of debt securities that we may offer may differ significantly from the common terms described in this prospectus. Many of the other terms of any series of debt securities that we offer, and any

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differences from the common terms described in this prospectus, will be described in the prospectus supplement for such securities to be attached to the front of this prospectus.

As required by U.S. federal law for all bonds and notes of companies that are publicly offered, a document called an “indenture” will govern any debt securities that we issue. An indenture is a contract between us and a financial institution acting as trustee on your behalf. We will enter into an indenture with an institution having corporate trust powers, which will act as trustee (the “indenture”). The indenture will be subject to the Trust Indenture Act of 1939. The trustee under an indenture has the following two main roles:

- the trustee can enforce your rights against us if we default; there are some limitations on the extent to which the trustee acts on your behalf, which are described later in this prospectus; and
- the trustee will perform certain administrative duties for us, which include sending you interest payments and notices.

As this section is a summary of some of the terms of the debt securities we may offer under this prospectus, it does not describe every aspect of the debt securities. We urge you to read the indenture and the other documents we file with the SEC relating to the debt securities because the indenture for those securities and those other documents, and not this description, will define your rights as a holder of our debt securities. We have filed a form of indenture with the SEC as an exhibit to the registration statement of which this prospectus forms a part, and we will file any such other documents as exhibits to an annual, quarterly or current report that we file with the SEC. The actual indenture we enter into in connection with an offering may differ from the form of indenture we have filed. See “Where You Can Find More Information” for information on how to obtain copies of the indenture and any such other documents. References to the “indenture” mean the indenture that will define your rights as a holder of debt securities. Capitalized terms used in this section and not otherwise defined have the meanings set forth in the form of indenture.

General

The debt securities will be our unsecured obligations. Senior debt securities will rank equally with all of our other unsecured and unsubordinated indebtedness. Subordinated debt securities will rank junior to our senior indebtedness, including our credit facilities.

You should read the prospectus supplement for the following terms of the series of debt securities offered by the prospectus supplement. Our board of directors will establish the following terms before issuance of the series:

- the title of the debt securities and whether the debt securities will be senior debt securities or subordinated debt securities;
- the ranking of the debt securities;
- if the debt securities are subordinated, the terms of subordination;
- the aggregate principal amount of the debt securities, the percentage of their principal amount at which the debt securities will be issued, and the date or dates when the principal of the debt securities will be payable or how those dates will be determined or extended;
- the interest rate or rates, which may be fixed or variable, that the debt securities will bear, if any, how the rate or rates will be determined, and the periods when the rate or rates will be in effect;
- the date or dates from which any interest will accrue or how the date or dates will be determined, the date or dates on which any interest will be payable, whether and the terms under which payment of interest may be deferred, any regular record dates for these payments or how these dates will be determined and the basis on which any interest will be calculated, if other than on the basis of a 360-day year of twelve 30-day months;

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- the place or places, if any, other than or in addition to New York City, of payment, transfer or exchange of the debt securities, and where notices or demands to or upon us in respect of the debt securities may be served;
- any optional redemption provisions and any restrictions on the sources of funds for redemption payments, which may benefit the holders of other securities;
- any sinking fund or other provisions that would obligate us to repurchase or redeem the debt securities;
- whether the amount of payments of principal of, any premium on, or interest on the debt securities will be determined with reference to an index, formula or other method, which could be based on one or more commodities, equity indices or other indices, and how these amounts will be determined;
- any modifications, deletions or additions to the events of default or covenants with respect to the debt securities described in this prospectus;
- if not the principal amount of the debt securities, the portion of the principal amount that will be payable upon acceleration of the maturity of the debt securities or how that portion will be determined;
- any modifications, deletions or additions to the provisions concerning defeasance and covenant defeasance contained in the indenture that will be applicable to the debt securities;
- any provisions granting special rights to the holders of the debt securities upon the occurrence of specified events;
- if other than the trustee, the name of the paying agent, security registrar or transfer agent for the debt securities;
- if we do not issue the debt securities in book-entry form only to be held by The Depository Trust Company, as depository, whether we will issue the debt securities in certificated form or the identity of any alternative depository;
- the person to whom any interest in a debt security will be payable, if other than the registered holder at the close of business on the regular record date;
- the denomination or denominations in which the debt securities will be issued, if other than denominations of \$2,000 or any integral multiple of \$1,000 in excess thereof;
- any provisions requiring us to pay Additional Amounts on the debt securities to any holder who is not a United States person in respect of any tax, assessment or governmental charge and, if so, whether we will have the option to redeem the debt securities rather than pay the Additional Amounts;
- whether the debt securities will be convertible into or exchangeable for other debt securities, common shares or other securities of any kind of ours or another obligor, and, if so, the terms and conditions upon which the debt securities will be so convertible or exchangeable, including the initial conversion or exchange price or rate or the method of calculation, how and when the conversion price or exchange ratio may be adjusted, whether conversion or exchange is mandatory, at the option of the holder or at our option, the conversion or exchange period and any other provision related to the debt securities; and
- any other material terms of the debt securities or the indenture, which may not be consistent with the terms set forth in this prospectus.

For purposes of this prospectus, any reference to the payment of principal of, any premium on, or interest on the debt securities will include Additional Amounts if required by the terms of the debt securities.

The indenture will not limit the amount of debt securities that we are authorized to issue from time to time. The indenture will also provide that there may be multiple series of debt securities issued thereunder and more than one trustee thereunder, each for one or more series of debt securities. If a trustee is acting under the indenture with respect to more than one series of debt securities, the debt

securities for which it is acting would be treated as if issued under separate indentures. If there is more than one trustee under the indenture,

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the powers and trust obligations of each trustee will apply only to the debt securities of the separate series for which it is trustee.

We may issue debt securities with terms different from those of debt securities already issued. Without the consent of the holders of the outstanding debt securities, we may reopen a previous issue of a series of debt securities and issue additional debt securities of that series unless the reopening was restricted when we created that series.

There is no requirement that we issue debt securities in the future under the indenture, and we may use other indentures or documentation, containing different provisions in connection with future issues of other debt securities.

We may issue the debt securities as “original issue discount securities,” which are debt securities, including any zero-coupon debt securities, that are issued and sold at a discount from their stated principal amount. Original issue discount securities provide that, upon acceleration of their maturity, an amount less than their principal amount will become due and payable. We will describe the U.S. federal income tax consequences and other considerations applicable to original issue discount securities in any prospectus supplement relating to them.

Holders of Debt Securities

Book-Entry Holders. We will issue debt securities in book-entry form only, unless we specify otherwise in the applicable prospectus supplement. This means the debt securities will be represented by one or more global securities registered in the name of a financial institution that holds them as depository on behalf of other financial institutions that participate in the depository’s book-entry system. These participating institutions, in turn, hold beneficial interests in the debt securities on behalf of themselves or their customers.

Under the indenture, we will recognize as a holder only the person in whose name a debt security is registered. Consequently, for debt securities issued in global form, we will recognize only the depository as the holder of the debt securities and we will make all payments on the debt securities to the depository. The depository passes along the payments it receives to its participants, which in turn pass the payments along to their customers who are the beneficial owners. The depository and its participants do so under agreements they have made with one another or with their customers; they are not obligated to do so under the terms of the debt securities. As a result, you will not own the debt securities directly. Instead, you will own beneficial interests in a global security, through a bank, broker or other financial institution that participates in the depository’s book-entry system or holds an interest through a participant. As long as the debt securities are issued in global form, you will be an indirect holder, and not a holder, of the debt securities.

Street Name Holders. In the future we may terminate a global security or issue debt securities initially in non-global form. In these cases, you may choose to hold your debt securities in your own name or in “street name.” Debt securities held in street name would be registered in the name of a bank, broker or other financial institution that you choose, and you would hold only a beneficial interest in those debt securities through an account you maintain at that institution.

For debt securities held in street name, we will recognize only the intermediary banks, brokers and other financial institutions in whose names the debt securities are registered as the holders of those debt securities, and we will make all payments on those debt securities to them. These institutions pass along the payments they receive to their customers who are the beneficial owners, but only because they agree to do so in their customer agreements or because they are legally required to do so. If you hold debt securities in street name you will be an indirect holder, and not a holder, of those debt securities.

Legal Holders. Our obligations, as well as the obligations of the trustee and those of any third parties employed by us or the trustee, run only to the legal holders of the debt securities. We do not have obligations to you if you hold beneficial interests in global securities, in street name or by any other indirect means. This will be the case whether you choose to be an indirect holder of a debt security or have no choice because we are issuing the debt securities only in global form.

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For example, once we make a payment or give a notice to the holder, we have no further responsibility for the payment or notice, even if that holder is required, under agreements with depository participants or customers or by law, to pass it along to the indirect holders but does not do so. Similarly, if we want to obtain the approval of the holders for any purpose (for example, to amend the indenture or to relieve us of the consequences of a default or of our obligation to comply with a particular provision of the indenture) we would seek the approval only from the holders, and not the indirect holders, of the debt securities. Whether and how the holders contact the indirect holders is up to the holders.

When we refer to you, we mean those who invest in the debt securities being offered by this prospectus, whether they are the holders or only indirect holders of those debt securities. When we refer to your debt securities, we mean the debt securities in which you hold a direct or indirect interest.

Special Considerations for Indirect Holders. If you hold debt securities through a bank, broker or other financial institution, either in book-entry form or in street name, you should check with your own institution to find out:

- how it handles securities payments and notices;
- whether it imposes fees or charges;
- how it would handle a request for the holders' consent, if ever required;
- whether and how you can instruct it to send you debt securities registered in your own name so you can be a holder, if that is permitted in the future;
- how it would exercise rights under the debt securities if there were a default or other event triggering the need for holders to act to protect their interests; and
- if the debt securities are in book-entry form, how the depository's rules and procedures will affect these matters.

Global Securities

What is a Global Security? We will issue each debt security under the indenture in book-entry form only, unless we specify otherwise in the applicable prospectus supplement. A global security represents one or any other number of individual debt securities. Generally, all debt securities represented by the same global securities will have the same terms. We may, however, issue a global security that represents multiple debt securities that have different terms and are issued at different times. We call this kind of global security a master global security.

Each debt security issued in book-entry form will be represented by a global security that we deposit with and register in the name of a financial institution or its nominee that we select. The financial institution that we select for this purpose is called the depository. Unless we specify otherwise in the applicable prospectus supplement, The Depository Trust Company, New York, New York, known as DTC, will be the depository for all debt securities issued in book-entry form.

A global security may not be transferred to or registered in the name of anyone other than the depository or its nominee, unless special termination situations arise. We describe those situations below under "Special Situations When a Global Security Will Be Terminated." As a result of these arrangements, the depository, or its nominee, will be the sole registered owner and holder of all debt securities represented by a global security, and investors will be permitted to own only beneficial interests in a global security. Beneficial interests must be held by means of an account with a broker, bank or other financial institution that in turn has an account with the depository or with another institution that does. Thus, if your security is represented by a global security, you will not be a holder of the debt security, but only an indirect holder of a beneficial interest in the global security.

Special Considerations for Global Securities. We do not recognize an indirect holder as a holder of debt securities and instead deal only with the depository that holds the global security. The account rules of your

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financial institution and of the depository, as well as general laws relating to securities transfers, will govern your rights relating to a global security.

If we issue debt securities only in the form of a global security, you should be aware of the following:

- you cannot cause the debt securities to be registered in your name, and cannot obtain non-global certificates for your interest in the debt securities, except in the special situations that we describe below;
- you will be an indirect holder and must look to your own bank or broker for payments on the debt securities and protection of your legal rights relating to the debt securities, as we describe under “Holders of Debt Securities” above;
- you may not be able to sell interests in the debt securities to some insurance companies and to other institutions that are required by law to own their securities in non-book-entry form;
- you may not be able to pledge your interest in a global security in circumstances where certificates representing the debt securities must be delivered to the lender or other beneficiary of the pledge in order for the pledge to be effective;
- the depository’s policies, which may change from time to time, will govern payments, transfers, exchanges and other matters relating to your interest in a global security. We and the trustee have no responsibility for any aspect of the depository’s actions or for its records of ownership interests in a global security. We and the trustee also do not supervise the depository in any way;
- DTC requires, and other depositories may require, that those who purchase and sell interests in a global security within its book-entry system use immediately available funds and your broker or bank may require you to do so as well; and
- financial institutions that participate in the depository’s book-entry system, and through which you hold your interest in a global security, may also have their own policies affecting payments, notices and other matters relating to the debt security. Your chain of ownership may contain more than one financial intermediary. We do not monitor and are not responsible for the actions of any of those intermediaries.

Special Situations When a Global Security Will Be Terminated. In a few special situations described below, a global security will be terminated and interests in it will be exchanged for certificates in non-global form representing the debt securities it represented. After that exchange, you will be able to choose whether to hold the debt securities directly or in street name. You must consult your own bank or broker to find out how to have your interests in a global security transferred on termination to your own name, so that you will be a holder. We have described the rights of holders and street name investors above under “Holders of Debt Securities.”

The special situations for termination of a global security are as follows:

- if the depository notifies us that it is unwilling, unable or no longer qualified to continue as depository for that global security and we do not appoint another institution to act as depository within 60 days;
- if we notify the trustee that we wish to terminate that global security; or
- if an event of default has occurred with regard to debt securities represented by that global security and has not been cured or waived. We discuss defaults later under “Events of Default.”

If a global security is terminated, only the depository, and not we or the trustee, is responsible for deciding the names of the intermediary banks, brokers and other financial institutions in whose names the debt securities represented by the global security are registered, and, therefore, who will be the holders of those debt securities.

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Covenants

This section summarizes the material covenants in the indenture. Please refer to the applicable prospectus supplement for information about any changes to our covenants, including any addition or deletion of a covenant, and to the indenture for information on other covenants not described in this prospectus or the applicable prospectus supplement.

Limitations on Liens. We will covenant in the indenture that we will not, and will not permit any of our Restricted Subsidiaries to, create, incur, issue or assume any Indebtedness secured by any Lien on any Principal Property, or on shares of stock or Indebtedness of any Restricted Subsidiary, known as Restricted Securities, without making effective provision for the Outstanding Securities, other than debt securities of any series not entitled to the benefit of this covenant, to be secured by a Lien equally and ratably with, or prior to (or in the case of debt securities of any series that are subordinated in right of payment to the Indebtedness secured by such Lien, by a Lien subordinated to), the Lien securing such Indebtedness for so long as the Indebtedness is so secured, except that the foregoing restriction does not apply to:

- any Lien existing on the date of the first issuance of debt securities of the relevant series under the indenture or existing on such other date as may be specified in any supplemental indenture, board resolution or officer's certificate with respect to such series;
- any Lien on any Principal Property or Restricted Securities of any person existing at the time that person is merged or consolidated with or into us or a Restricted Subsidiary, or this person becomes a Restricted Subsidiary, or arising thereafter otherwise than in connection with the borrowing of money arranged thereafter and pursuant to contractual commitments entered into prior to and not in contemplation of the person's becoming a Restricted Subsidiary;
- any Lien on any Principal Property or Restricted Securities existing at the time we or a Restricted Subsidiary acquire the Principal Property or Restricted Securities, whether or not the Lien is assumed by us or the Restricted Subsidiary, provided that this Lien may not extend to any other Principal Property or Restricted Securities of ours or any Restricted Subsidiary;
- any Lien on any Principal Property, including any improvements on any existing Principal Property, of ours or any Restricted Subsidiary, and any Lien on Restricted Securities of a Restricted Subsidiary that was formed or is held for the purpose of acquiring and holding the Principal Property, in each case to secure all or any part of the cost of acquisition, development, operation, construction, alteration, repair or improvement of all or any part of the Principal Property, or to secure Indebtedness incurred by us or a Restricted Subsidiary for the purpose of financing all or any part of that cost, provided that the Lien is created prior to, at the time of, or within 12 months after the latest of, the acquisition, completion of construction or improvement or commencement of commercial operation of that Principal Property and, provided further, that the Lien may not extend to any other Principal Property of ours or any Restricted Subsidiary, other than any currently unimproved real property on which the Principal Property has been constructed or developed or the improvement is located;
- any Lien on any Principal Property or Restricted Securities to secure Indebtedness owed to us or to a Restricted Subsidiary;
- any Lien in favor of a governmental body to secure advances or other payments under any contract or statute or to secure Indebtedness incurred to finance the purchase price or cost of constructing or improving the property subject to the Lien;
- any Lien created in connection with a project financed with, and created to secure, Non-Recourse Indebtedness;
- any extension, renewal, substitution or replacement, or successive extensions, renewals, substitutions or replacements, in whole or in part, of any Lien referred to in any of the bullet points above, provided that the Indebtedness secured may not exceed the principal amount of Indebtedness that is secured at the time of the renewal or refunding, plus any premium, cost or expense in connection with such extensions, renewals, substitutions or replacements, and that the renewal or refunding Lien must be

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limited to all or any part of the same property and improvements, shares of stock or Indebtedness that secured the Lien that was renewed or refunded; or

- any Lien not permitted above securing Indebtedness that, together with the aggregate outstanding principal amount of other secured Indebtedness that would otherwise be subject to the above restrictions, excluding Indebtedness secured by Liens permitted under the above exceptions, and the Attributable Debt in respect of all Sale and Leaseback Transactions, not including Attributable Debt in respect of any Sale and Leaseback Transactions described in the last two bullet points in the next succeeding paragraph, would not then exceed 15% of our Consolidated Net Tangible Assets.

Limitation on Sale and Leaseback Transactions. We will covenant in the indenture that we will not, and will not permit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction unless:

- we or a Restricted Subsidiary would be entitled, without securing the Outstanding Securities of any series, to incur Indebtedness secured by a Lien on the Principal Property that is the subject of the Sale and Leaseback Transaction;
- the Attributable Debt associated with the Sale and Leaseback Transaction would be in an amount permitted under the last bullet point of the preceding paragraph;
- the proceeds received in respect of the Principal Property so sold and leased back at the time of entering into the Sale and Leaseback Transaction are to be used for our business and operations or the business and operations of any Subsidiary; or
- within 12 months after the sale or transfer, an amount equal to the proceeds received in respect of the Principal Property sold and leased back at the time of entering into the Sale and Leaseback Transaction is applied to the prepayment, other than mandatory prepayment, of any Outstanding Securities or Funded Indebtedness owed by us or a Restricted Subsidiary, other than Funded Indebtedness that is held by us or any Restricted Subsidiary or our Funded Indebtedness that is subordinate in right of payment to any Outstanding Securities that are entitled to the benefit of this covenant.

Definitions. Following are definitions of some of the terms used in the covenants described above.

“Attributable Debt” means, as to any lease under which a person is at the time liable for rent, at a date that liability is to be determined, the total net amount of rent required to be paid by that person under the lease during the remaining term, excluding amounts required to be paid on account of maintenance and repairs, services, insurance, taxes, assessments, water rates and similar charges and contingent rents, discounted from the respective due dates thereof at the rate of interest (or Yield to Maturity, in the case of original issue discount securities) borne by the then Outstanding Securities, compounded monthly.

“Capital Stock” means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests, however designated, in stock issued by a corporation.

“Consolidated Net Tangible Assets” means the aggregate amount of assets, less applicable reserves and other properly deductible items, after deducting:

- all current liabilities, excluding any portion thereof constituting Funded Indebtedness; and
- all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles,

all as set forth on our most recent consolidated balance sheet contained in our latest quarterly or annual report filed with the SEC under the Securities Exchange Act of 1934, as amended, and computed in accordance with generally accepted accounting principles.

“Funded Indebtedness” means, as applied to any person, all Indebtedness of the person maturing after, or renewable or extendible at the option of the person beyond, 12 months from the date of determination.

“Indebtedness” means obligations for money borrowed, evidenced by notes, bonds, debentures or other similar evidences of indebtedness.

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“*Lien*” means any lien, mortgage, pledge, encumbrance, charge or security interest securing Indebtedness; provided, however, that the following types of transactions will not be considered, for purposes of this definition, to result in a Lien:

- any acquisition by us or any Restricted Subsidiary of any property or assets subject to any reservation or exception under the terms of which any vendor, lessor or assignor creates, reserves or excepts or has created, reserved or excepted an interest in oil, gas or any other mineral in place or the proceeds of that interest;
- any conveyance or assignment whereby we or any Restricted Subsidiary conveys or assigns to any person or persons an interest in oil, gas or any other mineral in place or the proceeds of that interest;
- any Lien upon any property or assets either owned or leased by us or a Restricted Subsidiary or in which we or any Restricted Subsidiary owns an interest that secures for the benefit of the person or persons paying the expenses of developing or conducting operations for the recovery, storage, transportation or sale of the mineral resources of the property or assets, or property or assets with which it is unitized, the payment to the person or persons of our proportionate part or the Restricted Subsidiary’s proportionate part of the development or operating expenses;
- any lease classified as an operating lease under generally accepted accounting principles;
- any hedging arrangements entered into in the ordinary course of business, including any obligation to deliver any mineral, commodity or asset; or
- any guarantees that we make for the repayment of Indebtedness of any Subsidiary or guarantees by any Subsidiary of the repayment of Indebtedness of any entity, including Indebtedness of Atmos Energy Marketing, LLC.

“*Non-Recourse Indebtedness*” means, at any time, Indebtedness incurred after the date of the indenture by us or a Restricted Subsidiary in connection with the acquisition of property or assets by us or a Restricted Subsidiary or the financing of the construction of or improvements on property, whenever acquired, provided that, under the terms of this Indebtedness and under applicable law, the recourse at the time and thereafter of the lenders with respect to this Indebtedness is limited to the property or assets so acquired, or the construction or improvements, including Indebtedness as to which a performance or completion guarantee or similar undertaking was initially applicable to the Indebtedness or the related property or assets if the guarantee or similar undertaking has been satisfied and is no longer in effect. Indebtedness which is otherwise Non-Recourse Indebtedness will not lose its character as Non-Recourse Indebtedness because there is recourse to us, any subsidiary of ours or any other person for (a) environmental or tax warranties and indemnities and such other representations, warranties, covenants and indemnities as are customarily required in such transactions or (b) indemnities for and liabilities arising from fraud, misrepresentation, misapplication or non-payment of rents, profits, insurance and condemnation proceeds and other sums actually received from secured assets to be paid to the lender, waste and mechanics’ liens or similar matters.

“*Principal Property*” means any natural gas distribution property located in the United States, except any property that in the opinion of our board of directors is not of material importance to the total business conducted by us and of our consolidated Subsidiaries.

“*Restricted Subsidiary*” means any Subsidiary the amount of Consolidated Net Tangible Assets of which constitutes more than 10% of the aggregate amount of Consolidated Net Tangible Assets of us and our Subsidiaries.

“*Sale and Leaseback Transaction*” means any arrangement with any person in which we or any Restricted Subsidiary leases any Principal Property that has been or is to be sold or transferred by us or the Restricted Subsidiary to that person, other than any such arrangement involving:

- a lease for a term, including renewals at the option of the lessee, of not more than three years or classified as an operating lease under generally accepted accounting principles;
- leases between us and a Restricted Subsidiary or between Restricted Subsidiaries; and

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- leases of a Principal Property executed by the time of, or within 12 months after the latest of, the acquisition, the completion of construction or improvement, or the commencement of commercial operation, of the Principal Property, whichever is later.

“*Subsidiary*” of ours means:

- a corporation, a majority of whose Capital Stock with rights, under ordinary circumstances, to elect directors is owned, directly or indirectly, at the date of determination, by us, by one or more of our Subsidiaries or by us and one or more of our Subsidiaries; or
- any other person, other than a corporation, in which at the date of determination we, one or more of our Subsidiaries or we and one or more of our Subsidiaries, directly or indirectly, have at least a majority ownership and power to direct the policies, management and affairs of that person.

Consolidation, Merger or Sale of Assets. Under the terms of the indenture, we will be generally permitted to consolidate with or merge into another entity. We will also be permitted to sell or transfer our assets substantially as an entirety to another entity. However, we may not take any of these actions unless all of the following conditions are met:

- the resulting entity must agree to be legally responsible for all our obligations relating to the debt securities and the indenture;
- the transaction must not cause a default or an Event of Default, as described below;
- the resulting entity must be organized under the laws of the United States or one of the states or the District of Columbia; and
- we must deliver an officers’ certificate and legal opinion to the trustee with respect to the transaction.

In the event that we engage in one of these transactions and comply with the conditions listed above, we would be discharged from all our obligations and covenants under the indenture and all obligations under the Outstanding Securities, with the successor corporation or person succeeding to our obligations and covenants.

In the event that we engage in one of these transactions, the indenture provides that, if any Principal Property or Restricted Securities would thereupon become subject to any Lien securing the Indebtedness, the debt securities, other than debt securities not entitled to the benefits of specified covenants, must be secured, as to such Principal Property or Restricted Securities, equally and ratably with (or prior to or, in the case of debt securities that are subordinated in right of payment to the Indebtedness secured by such Lien or in the case of other Indebtedness of ours that is subordinated to the debt securities, on a subordinated basis to such Lien securing) the Indebtedness or obligations that upon the occurrence of such transaction would become secured by the Lien, unless the Lien could be created under the indenture without equally and ratably securing the debt securities (or, in the case of debt securities that are subordinated in right of payment to the Indebtedness secured by such Lien, on a subordinated basis to such Lien).

Modification or Waiver

There are two types of changes that we can make to the indenture and the debt securities.

Changes Requiring Approval. With the approval of the holders of at least a majority in principal amount of all outstanding debt securities of each series affected (including any such approvals obtained in connection with a tender or exchange offer for outstanding debt securities), we may make any changes, additions or deletions to any provisions of the indenture applicable to the affected series, or modify the rights of the holders of the debt securities of the affected series. However, without the consent of each holder affected, we cannot:

- change the stated maturity of the principal of, any premium on, or the interest on a debt security;
- reduce the principal amount, any premium on, or the rate of interest on a debt security;
- change any of our obligations to pay Additional Amounts;

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- reduce the amount payable upon acceleration of maturity following the default of a debt security whose principal amount payable at stated maturity may be more or less than its principal face amount at original issuance or an original issue discount security;
- adversely affect any right of repayment at the holder's option;
- change the place of payment of a debt security;
- impair the holder's right to sue for payment;
- adversely affect any right to convert or exchange a debt security;
- reduce the percentage of holders of debt securities whose consent is needed to modify or amend the indenture; or
- modify certain provisions of the indenture dealing with suits for enforcement of payment by the trustee or modification and waiver, except to increase any percentage of consents required to amend the indenture or for any waiver, or to modify the provisions of the indenture dealing with the unconditional right of the holders of the debt securities to receive principal, premium, if any, and interest.

Changes Not Requiring Approval. The second type of change does not require any vote by the holders of the debt securities. This type is limited to clarifications and certain other changes that would not adversely affect holders of the outstanding debt securities in any material respect. Additionally, we do not need any approval to make any change that affects only debt securities to be issued under the indenture after the changes take effect.

Further Details Concerning Voting. When taking a vote, we will use the following rules to decide how much principal amount to attribute to a debt security:

- for original issue discount securities, we will use the principal amount that would be due and payable on the voting date if the maturity of the debt securities were accelerated to that date because of a default; and
- for debt securities whose principal amount is not known (for example, because it is based on an index) we will use a special rule for that debt security described in the applicable prospectus supplement.

Debt securities will not be considered outstanding, and therefore not eligible to vote, if we have deposited or set aside in trust money for their payment or redemption. Debt securities will also not be eligible to vote if they have been fully defeased as described later under "Defeasance and Covenant Defeasance."

Book-entry and other indirect holders should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the indenture or the debt securities or request a waiver.

Events of Default

Holders of debt securities will have special rights if an Event of Default occurs as to the debt securities of their series that is not cured, as described later in this subsection. Please refer to the applicable prospectus supplement for information about any changes to the Events of Default, including any addition of a provision providing event risk or similar protection.

What is an Event of Default? The term "Event of Default" as to the debt securities of a series means any of the following:

- we do not pay interest on a debt security of the series within 30 days of its due date;
- we do not pay the principal of or any premium, if any, on a debt security of the series on its due date;
- we do not deposit any sinking fund payment when and as due by the terms of any debt securities requiring such payment;

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- we remain in breach of a covenant or agreement in the indenture, other than a covenant or agreement not for the benefit of the series, for 60 days after we receive written notice stating that we are in breach from the trustee or the holders of at least 25 percent of the principal amount of the debt securities of the series;
- we or a Restricted Subsidiary is in default under any matured or accelerated agreement or instrument under which we have outstanding Indebtedness for borrowed money or guarantees, which individually is in excess of \$25,000,000, and we have not cured any acceleration within 30 days after we receive notice of this default from the trustee or the holders of at least 25 percent of the principal amount of the debt securities of the series, unless prior to the entry of judgment for the trustee, we or the Restricted Subsidiary remedy the default or the default is waived by the holders of the indebtedness;
- we file for bankruptcy or other events of bankruptcy, insolvency or reorganization occur; or
- any other Event of Default provided for the benefit of debt securities of the series.

An Event of Default for a particular series of debt securities will not necessarily constitute an Event of Default for any other series of debt securities issued under the indenture.

The trustee may withhold notice to the holders of debt securities of a particular series of any default if it considers its withholding of notice to be in the interest of the holders of that series, except that the trustee may not withhold notice of a default in the payment of the principal of, any premium on, or the interest on the debt securities or in the payment of any sinking fund installment with respect to the debt securities.

Remedies if an Event of Default Occurs. If an event of default has occurred and is continuing, the trustee or the holders of at least 25 percent in principal amount of the debt securities of the affected series may declare the entire principal amount and all accrued interest of all the debt securities of that series to be due and immediately payable by notifying us, and the trustee, if the holders give notice, in writing. This is called a declaration of acceleration of maturity.

If the maturity of any series of debt securities is accelerated and a judgment for payment has not yet been obtained, the holders of a majority in principal amount of the debt securities of that series may cancel the acceleration if all events of default other than the non-payment of principal or interest on the debt securities of that series that have become due solely by a declaration of acceleration are cured or waived, and we deposit with the trustee a sufficient sum of money to pay:

- all overdue interest on outstanding debt securities of that series;
- all unpaid principal and any premium, if any, of any outstanding debt securities of that series that has become due otherwise than by a declaration of acceleration, and interest on the unpaid principal and any premium, if any;
- all interest on the overdue interest; and
- all amounts paid or advanced by the trustee for that series and reasonable compensation of the trustee.

Except in cases of default, where the trustee has some special duties, the trustee is not required to take any action under the indenture at the request of any holders unless the holders offer the trustee reasonable protection from expenses and liability. This is called an indemnity. If reasonable indemnity is provided, the holders of a majority in principal amount of the outstanding debt securities of the relevant series may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. The trustee may refuse to follow those directions if the directions conflict with any law or the indenture or expose the trustee to personal liability. No delay or omission in exercising any right or remedy will be treated as a waiver of that right, remedy or Event of Default.

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Before a holder is allowed to bypass the trustee and bring his or her own lawsuit or other formal legal action or take other steps to enforce his or her rights or protect his or her interest relating to the debt securities, the following must occur:

- the holder must give the trustee written notice that an Event of Default has occurred and remains uncured;
- the holders of at least 25 percent in principal amount of all outstanding debt securities of the relevant series must make a written request that the trustee take action because of the default and must offer reasonable indemnity to the trustee against the cost and other liabilities of taking that action;
- the trustee must not have instituted a proceeding for 60 days after receipt of the above notice and offer of indemnity; and
- the holders of a majority in principal amount of the debt securities must not have given the trustee a direction inconsistent with the above notice during the 60-day period.

However, a holder is entitled at any time to bring a lawsuit for the payment of money due on his or her debt securities on or after the due date without complying with the foregoing.

Holders of a majority in principal amount of the debt securities of the affected series may waive any past defaults other than the following:

- the payment of principal, any premium, or interest on any debt security; or
- in respect of a covenant that under the indenture cannot be modified or amended without the consent of each holder affected.

Each year, we will furnish the trustee with a written statement of two of our officers certifying that, to their knowledge, we are in compliance with the indenture and the debt securities, or else specifying any default.

Book-entry and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to declare or cancel an acceleration.

Defeasance and Covenant Defeasance

Unless we provide otherwise in the applicable prospectus supplement, the provisions for full defeasance and covenant defeasance described below apply to each series of debt securities. In general, we expect these provisions to apply to each debt security that is not a floating rate or indexed debt security.

Full Defeasance. If there is a change in U.S. federal tax law, as described below, we can legally release ourselves from all payment and other obligations on the debt securities, called “full defeasance,” if we put in place the following arrangements for you to be repaid:

- we must deposit in trust for the benefit of all holders of the debt securities a combination of money and obligations issued or guaranteed by the U.S. government that will generate enough cash to make interest, principal and any other payments on the debt securities on their various due dates; and
- we must deliver to the trustee a legal opinion confirming that there has been a change in current federal tax law or an IRS ruling that lets us make the above deposit without causing you to be taxed on the debt securities any differently than if we did not make the deposit and just repaid the debt securities ourselves at maturity.

If we ever did accomplish defeasance, as described above, you would have to rely solely on the trust deposit for repayment of the debt securities. You could not look to us for repayment in the event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever become bankrupt or insolvent. If we accomplish a defeasance, we would retain only the obligations to register the transfer or exchange of the debt securities, to maintain an office or agency in respect of the debt securities and to hold moneys for payment in trust.

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Covenant Defeasance. Under current federal tax law, we can make the same type of deposit described above and be released from any restrictive covenants in the indenture. This is called "covenant defeasance." In that event, you would lose the protection of any such covenants but would gain the protection of having money and obligations issued or guaranteed by the U.S. government set aside in trust to repay the debt securities. In order to achieve covenant defeasance, we must do the following:

- deposit in trust for your benefit and the benefit of all other direct holders of the debt securities a combination of money and obligations issued or guaranteed by the U.S. government that will generate enough cash to make interest, principal and any other payments on the debt securities on their various due dates; and
- deliver to the trustee a legal opinion of our counsel confirming that, under current federal income tax law, we may make the deposit described above without causing you to be taxed on the debt securities any differently than if we did not make the deposit and just repaid the debt securities ourselves at maturity.

If we accomplish covenant defeasance, you can still look to us for repayment of the debt securities if there were a shortfall in the trust deposit or the trustee is prevented from making payment. In fact, if one of the remaining Events of Default occurred, such as our bankruptcy, and the debt securities became immediately due and payable, there may be a shortfall. Depending on the event causing the default, you may not be able to obtain payment of the shortfall.

Debt Securities Issued in Non-Global Form

If any debt securities cease to be issued in global form, they will be issued:

- only in fully registered form;
- without interest coupons; and
- unless we indicate otherwise in the prospectus supplement, in denominations of \$2,000 and amounts that are integral multiples of \$1,000 in excess thereof.

Holder may exchange their debt securities that are not in global form for debt securities of smaller denominations or combined into fewer debt securities of larger denominations, as long as the total principal amount is not changed.

Holder may exchange or transfer their debt securities at the office of the trustee. We may appoint the trustee to act as our agent for registering debt securities in the names of holders transferring debt securities, or we may appoint another entity to perform these functions or perform them ourselves.

Holder will not be required to pay a service charge to transfer or exchange their debt securities, but they may be required to pay for any tax or other governmental charge associated with the transfer or exchange. The transfer or exchange will be made only if our transfer agent is satisfied with the holder's proof of legal ownership.

If we have designated additional transfer agents for a holder's debt security, they will be named in the applicable prospectus supplement. We may appoint additional transfer agents or cancel the appointment of any particular transfer agent. We may also approve a change in the office through which any transfer agent acts.

If any debt securities are redeemable and we redeem less than all those debt securities, we may stop the transfer or exchange of those debt securities during the period beginning 15 days before the day we mail the notice of redemption and ending on the day of that mailing, in order to freeze the list of holders to prepare the mailing. We may also refuse to register transfers or exchanges of any debt securities selected for redemption, except that we will continue to permit transfers and exchanges of the unredeemed portion of any debt security that will be partially redeemed.

If a debt security is issued as a global security, only the depository will be entitled to transfer and exchange the debt security as described in this section, since it will be the sole holder of the debt security.

Table of Contents**Payment Mechanics**

Who Receives Payment? If interest is due on a debt security on an interest payment date, we will pay the interest to the person or entity in whose name the debt security is registered at the close of business on the regular record date, discussed below, relating to the interest payment date. If interest is due at maturity but on a day that is not an interest payment date, we will pay the interest to the person or entity entitled to receive the principal of the debt security. If principal or another amount besides interest is due on a debt security at maturity, we will pay the amount to the holder of the debt security against surrender of the debt security at a proper place of payment, or, in the case of a global security, in accordance with the applicable policies of the depository.

Payments on Global Securities. We will make payments on a global security in accordance with the applicable policies of the depository as in effect from time to time. Under those policies, we will pay directly to the depository, or its nominee, and not to any indirect holders who own beneficial interests in the global security. An indirect holder's right to those payments will be governed by the rules and practices of the depository and its participants, as described above under "What is a Global Security?".

Payments on Non-Global Securities. For a debt security in non-global form, we will pay interest that is due on an interest payment date by check mailed on the interest payment date to the holder at his or her address shown on the trustee's records as of the close of business on the regular record date. We will make all other payments by check, at the paying agent described below, against surrender of the debt security. We will make all payments by check in next-day funds; for example, funds that become available on the day after the check is cashed.

Alternatively, if a non-global security has a face amount of at least \$1,000,000 and the holder asks us to do so, we will pay any amount that becomes due on the debt security by wire transfer of immediately available funds to an account at a bank in New York City on the due date. To request wire payment, the holder must give the paying agent appropriate transfer instructions at least five business days before the requested wire payment is due. In the case of any interest payment due on an interest payment date, the instructions must be given by the person who is the holder on the relevant regular record date. In the case of any other payment, we will make payment only after the debt security is surrendered to the paying agent. Any wire instructions, once properly given, will remain in effect unless and until new instructions are given in the manner described above.

Regular Record Dates. We will pay interest to the holders listed in the trustee's records as the owners of the debt securities at the close of business on a particular day in advance of each interest payment date. We will pay interest to these holders if they are listed as the owner even if they no longer own the debt security on the interest payment date. That particular day, usually about two weeks in advance of the interest payment date, is called the "regular record date" and will be identified in the prospectus supplement.

Payment When Offices Are Closed. If any payment is due on a debt security on a day that is not a business day, we will make the payment on the next business day. Payments postponed to the next business day in this situation will be treated under the indenture as if they were made on the original due date. A postponement of this kind will not result in a default under any debt security or the indenture, and no interest will accrue on the postponed amount from the original due date to the next business day.

Paying Agents. We may appoint one or more financial institutions to act as our paying agents, at whose designated offices debt securities in non-global form may be surrendered for payment at their maturity. We call each of those offices a paying agent. We may add, replace or terminate paying agents from time to time. We may also choose to act as our own paying agent. Initially, we have appointed the trustee, at its corporate trust office in New York City, as the paying agent. We must notify you of changes in the paying agents.

Book-entry and other indirect holders should consult their banks or brokers for information on how they will receive payments on their debt securities.

Table of Contents**The Trustee Under the Indenture**

U.S. Bank National Association is the trustee under the indenture for our debt securities. We will identify any other entity acting as the trustee for a series of debt securities that we may offer in the prospectus supplement for the offering of such debt securities.

The trustee may resign or be removed with respect to one or more series of debt securities and a successor trustee may be appointed to act with respect to these series.

DESCRIPTION OF COMMON STOCK**General**

Our authorized capital stock consists of 200,000,000 shares of common stock, of which 91,914,143 shares were outstanding on March 17, 2009. Each of our shares of common stock is entitled to one vote on all matters voted upon by shareholders. Our shareholders do not have cumulative voting rights. Our issued and outstanding shares of common stock are fully paid and nonassessable. There are no redemption or sinking fund provisions applicable to the shares of our common stock, and such shares are not entitled to any preemptive rights. Since we are incorporated in both Texas and Virginia, we must comply with the laws of both states when issuing shares of our common stock.

Holders of our shares of common stock are entitled to receive such dividends as may be declared from time to time by our board of directors from our assets legally available for the payment of dividends and, upon our liquidation, a pro rata share of all of our assets available for distribution to our shareholders.

American Stock Transfer & Trust Company is the registrar and transfer agent for our common stock.

Charter and Bylaws Provisions

Some provisions of our articles of incorporation and bylaws may be deemed to have an "anti-takeover" effect. The following description of these provisions is only a summary, and we refer you to our articles of incorporation and bylaws for more information. Our articles of incorporation and bylaws are included as exhibits to our annual reports on Form 10-K filed with the SEC. See "Where You Can Find More Information."

Classification of the Board. Our board of directors is divided into three classes, each of which consists, as nearly as may be possible, of one-third of the total number of directors constituting the entire board. There are currently 13 directors serving on the board. Each class of directors serves a three-year term. At each annual meeting of our shareholders, successors to the class of directors whose term expires at the annual meeting are elected for three-year terms. Our articles of incorporation prohibit cumulative voting. In general, in the absence of cumulative voting, one or more persons who hold a majority of our outstanding shares can elect all of the directors who are subject to election at any meeting of shareholders.

The classification of directors could have the effect of making it more difficult for shareholders, including those holding a majority of the outstanding shares, to force an immediate change in the composition of the board. Two shareholder meetings, instead of one, generally will be required to effect a change in the control of our board.

Removal of Directors. Our articles of incorporation and bylaws also provide that our directors may be removed only for cause and upon the affirmative vote of the holders of at least 75 percent of the shares then entitled to vote at an election of directors.

Fair Price Provisions. Article VII of our articles of incorporation provides certain "Fair Price Provisions" for our shareholders. Under Article VII, a merger, consolidation, sale of assets, share exchange, recapitalization or other similar transaction, between us or a company controlled by or under common control with us and any individual, corporation or other entity which owns or controls 10 percent or more of our voting capital stock, would be required to satisfy the condition that the

aggregate consideration per share to be

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received in the transaction for each class of our voting capital stock be at least equal to the highest per share price, or equivalent price for any different classes or series of stock, paid by the 10 percent shareholder in acquiring any of its holdings of our stock. If a proposed transaction with a 10 percent shareholder does not meet this condition, then the transaction must be approved by the holders of at least 75 percent of the outstanding shares of voting capital stock held by our shareholders other than the 10 percent shareholder, unless a majority of the directors who were members of our board immediately prior to the time the 10 percent shareholder involved in the proposed transaction became a 10 percent shareholder have either:

- expressly approved in advance the acquisition of the outstanding shares of our voting capital stock that caused the 10 percent shareholder to become a 10 percent shareholder; or
- approved the transaction either in advance of or subsequent to the 10 percent shareholder becoming a 10 percent shareholder.

The provisions of Article VII may not be amended, altered, changed, or repealed except by the affirmative vote of at least 75 percent of the votes entitled to be cast thereon at a meeting of our shareholders duly called for consideration of such amendment, alteration, change, or repeal. In addition, if there is a 10 percent shareholder, such action must also be approved by the affirmative vote of at least 75 percent of the outstanding shares of our voting capital stock held by the shareholders other than the 10 percent shareholder.

Shareholder Proposals and Director Nominations. Our shareholders can submit shareholder proposals and nominate candidates for the board of directors if the shareholders follow the advance notice procedures described in our bylaws.

Shareholder proposals (other than those sought to be included in our proxy statement) must be submitted to our corporate secretary at least 60 days, but not more than 85 days, before the annual meeting; provided, however, that if less than 75 days' notice or prior public disclosure of the date of the annual meeting is given or made to shareholders, notice by the shareholder to be timely must be received by our corporate secretary no later than the close of business on the 25th day following the day on which such notice of the date of the annual meeting was provided or such public disclosure was made. The notice must include a description of the proposal, the shareholder's name and address and the number of shares held, and all other information which would be required to be included in a proxy statement filed with the SEC if the shareholder were a participant in a solicitation subject to the SEC's proxy rules. To be included in our proxy statement for an annual meeting, our corporate secretary must receive the proposal at least 120 days prior to the anniversary of the date we mailed the proxy statement for the prior year's annual meeting.

To nominate directors, shareholders must submit a written notice to our corporate secretary at least 60 days, but not more than 85 days, before a scheduled meeting; provided, however, that if less than 75 days' notice or prior public disclosure of the date of the annual meeting is given or made to shareholders, such nomination shall have been received by our corporate secretary no later than the close of business on the 25th day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made. The notice must include the name and address of the shareholder and of the shareholder's nominee, the number of shares held by the shareholder, a representation that the shareholder is a holder of record of common stock entitled to vote at the meeting, and that the shareholder intends to appear in person or by proxy to nominate the persons specified in the notice, a description of any arrangements between the shareholder and the shareholder's nominee, information about the shareholder's nominee required by the SEC and the written consent of the shareholder's nominee to serve as a director.

Shareholder proposals and director nominations that are late or that do not include all required information may be rejected. This could prevent shareholders from bringing certain matters before an annual or special meeting or making nominations for directors.

Table of Contents**PLAN OF DISTRIBUTION**

We may sell the securities offered by this prospectus and a prospectus supplement as follows:

- through agents;
- to or through underwriters;
- through dealers;
- directly by us to purchasers; or
- through a combination of any such methods of sale.

We, directly or through agents or dealers, may sell, and the underwriters may resell, the securities in one or more transactions, including:

- transactions on the New York Stock Exchange or any other organized market where the securities may be traded;
- in the over-the-counter market;
- in negotiated transactions; or
- through a combination of any such methods of sale.

The securities may be sold at a fixed price or prices which may be changed, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices.

Agents designated by us from time to time may solicit offers to purchase the securities. We will name any such agent involved in the offer or sale of the securities and set forth any commissions payable by us to such agent in a prospectus supplement relating to any such offer and sale of securities. Unless otherwise indicated in the prospectus supplement, any such agent will be acting on a best efforts basis for the period of its appointment. Any such agent may be deemed to be an underwriter of the securities, as that term is defined in the Securities Act.

If underwriters are used in the sale of securities, securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions. Securities may be offered to the public either through underwriting syndicates represented by one or more managing underwriters or directly by one or more firms acting as underwriters. If an underwriter or underwriters are used in the sale of securities, we will execute an underwriting agreement with such underwriter or underwriters at the time an agreement for such sale is reached. We will set forth in the prospectus supplement the names of the specific managing underwriter or underwriters, as well as any other underwriters, and the terms of the transactions, including compensation of the underwriters and dealers. Such compensation may be in the form of discounts, concessions or commissions. Underwriters and others participating in any offering of securities may engage in transactions that stabilize, maintain or otherwise affect the price of such securities. We will describe any such activities in the prospectus supplement.

We may elect to list any class or series of securities on any exchange, but we are not currently obligated to do so. It is possible that one or more underwriters, if any, may make a market in a class or series of securities, but the underwriters will not be obligated to do so and may discontinue any market making at any time without notice. We cannot give any assurance as to the liquidity of the trading market for any of the securities we may offer.

If a dealer is used in the sale of the securities, we or an underwriter will sell such securities to the dealer, as principal. The dealer may then resell such securities to the public at varying prices to be determined by such dealer at the time of resale. The prospectus supplement will set forth the name of the dealer and the terms of the transactions.

We may directly solicit offers to purchase the securities, and we may sell directly to institutional investors or others. These persons may be deemed to be underwriters within the meaning of the Securities Act with respect to any resale of the securities. The prospectus supplement will describe the terms of any such sales, including the terms of any bidding, auction or other process, if used.

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Agents, underwriters and dealers may be entitled under agreements which may be entered into with us to indemnification by us against specified liabilities, including liabilities under the Securities Act, or to contribution by us to payments they may be required to make in respect of such liabilities. The prospectus supplement will describe the terms and conditions of such indemnification or contribution. Some of the agents, underwriters or dealers, or their affiliates, may engage in transactions with or perform services for us and our subsidiaries in the ordinary course of their business.

LEGAL MATTERS

Gibson, Dunn & Crutcher LLP, Dallas, Texas, and Hunton & Williams LLP, Richmond, Virginia, have each rendered an opinion with respect to the validity of the securities that may be offered under this prospectus. We filed these opinions as exhibits to the registration statement of which this prospectus is a part. If counsel for any underwriters passes on legal matters in connection with an offering made under this prospectus, we will name that counsel in the prospectus supplement relating to that offering.

EXPERTS

The consolidated financial statements of Atmos Energy appearing in Atmos Energy Corporation's annual report (Form 10-K) for the fiscal year ended September 30, 2008 (including the schedule appearing therein) and the effectiveness of Atmos Energy Corporation's internal control over financial reporting as of September 30, 2008 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

With respect to the unaudited condensed consolidated interim financial information of Atmos Energy for the three-month periods ended December 31, 2008 and 2007, incorporated herein by reference, Ernst & Young LLP reported that they have applied limited procedures in accordance with professional standards for a review of such information. However, their separate report dated February 3, 2009, included in our quarterly report on Form 10-Q for the three-month period ended December 31, 2008, and incorporated herein by reference, states that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. Ernst & Young LLP is not subject to the liability provisions of Section 11 of the Securities Act of 1933, as amended, for their report on the unaudited interim financial information because that report is not a "report" or a "part" of the registration statement prepared or certified by Ernst & Young LLP within the meaning of Sections 7 and 11 of the Securities Act of 1933.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission under the Securities Exchange Act of 1934. You may read and copy this information at the Public Reference Room of the SEC, 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. You may obtain information on the operation of the Public Reference Room by calling the SEC at (800) SEC-0330.

The SEC also maintains an internet Web site that contains reports, proxy statements and other information about issuers, like us, who file electronically with the SEC. The address of that site is www.sec.gov.

You can also inspect reports, proxy statements and other information about us at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed with the SEC a registration statement on Form S-3 that registers the securities we are offering. The registration statement, including the attached exhibits and schedules, contains additional relevant information about us and the securities offered. The rules and regulations of the SEC allow us to omit certain information included in the registration statement from this prospectus.

Table of Contents**INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

The SEC allows us to “incorporate by reference” information in this prospectus that we have filed with it. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this prospectus, except for any information that is superseded by information that is included directly in this prospectus or the applicable prospectus supplement relating to an offering of our securities.

We incorporate by reference into this prospectus the documents listed below and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 prior to the termination of our offering of securities. These additional documents include periodic reports, such as annual reports on Form 10-K and quarterly reports on Form 10-Q, and current reports on Form 8-K (other than information furnished under Items 2.02 and 7.01, which is deemed not to be incorporated by reference in this prospectus), as well as proxy statements (other than information identified in them as not incorporated by reference). You should review these filings as they may disclose a change in our business, prospects, financial condition or other affairs after the date of this prospectus.

This prospectus incorporates by reference the documents listed below that we have filed with the SEC but have not been included or delivered with this document:

- Our annual report on Form 10-K for the year ended September 30, 2008;
- Our quarterly report on Form 10-Q for the three-month period ended December 31, 2008;
- Our current reports on Form 8-K filed with the SEC on November 3, 2008, November 21, 2008, December 3, 2008, January 5, 2009 and February 6, 2009; and
- The following pages and captioned text contained in our definitive proxy statement for the annual meeting of shareholders on February 4, 2009 and incorporated into our annual report on Form 10-K: pages 3 through 5 under the caption “*Beneficial Ownership of Common Stock*,” pages 6 through 9 under the captions “*Election of Directors — Nominees for Director*” and “*— Directors Continuing in Office*,” pages 10 to 11 under the captions “*Corporate Governance and Other Board Matters — Independence of Directors*” and “*— Related Person Transactions*,” pages 13 to 14 under the captions “*Corporate Governance and Other Board Matters — Committees of the Board of Directors*” and “*— Other Board and Committee Matters — Human Resources Committee Interlocks and Insider Participation*,” pages 15 through 18 under the captions “*Director Compensation*” through to the end of “*Audit Committee-Related Matters — Independence of Audit Committee Members, Financial Literacy and Audit Committee Financial Experts*,” page 20 under the caption “*Audit-Committee Related Matters — Audit Committee Pre-Approval Policy*,” pages 20 through 30 under the caption “*Compensation Discussion and Analysis*,” and pages 31 through 45 under the caption “*Named Executive Officer Compensation*” through to the end of the caption “*Ratification of Appointment of Independent Registered Public Accounting Firm*.”

These documents contain important information about us and our financial condition.

You may obtain a copy of any of these filings, or any of our future filings, from us without charge by requesting it in writing or by telephone at the following address or telephone number:

Atmos Energy Corporation
1800 Three Lincoln Centre
5430 LBJ Freeway
Dallas, Texas 75240
Attention: Susan Giles
(972) 934-9227

Our internet Web site address is www.atmosenergy.com. Information on or connected to our internet Web site is not part of this prospectus.

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\$450,000,000



Atmos Energy Corporation

8.50% Senior Notes due 2019

Prospectus Supplement
March 23, 2009

Joint Book-Running Managers

Banc of America Securities LLC
Goldman, Sachs & Co.
RBS Greenwich Capital
SunTrust Robinson Humphrey

Senior Co-Managers

BNP PARIBAS
Morgan Stanley
U.S. Bancorp Investments, Inc.
UBS Investment Bank
Wachovia Securities

Co-Managers

CALYON
Comerica Securities
Commerzbank Corporates & Markets
Lloyds TSB Corporate Markets
Mitsubishi UFJ Securities
Natixis Bleichroeder Inc.
The Williams Capital Group, L.P.
