

**JOHN N. HUGHES**  
*Attorney at Law*  
Professional Service Corporation  
124 West Todd Street  
Frankfort, Kentucky 40601

Telephone: (502) 227-7270

[jnhughes@fewpb.net](mailto:jnhughes@fewpb.net)

Telefax (502) 875-7059

February 23, 2010

**RECEIVED**

**FEB 23 2010**

**PUBLIC SERVICE  
COMMISSION**

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

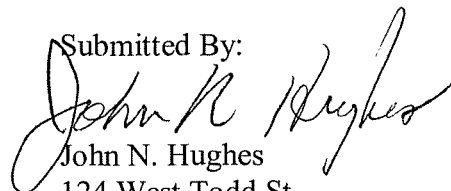
Re: Atmos Energy Corporation  
Case No. 2009-00354

Dear Mr. Derouen:

Atmos Energy Corporation submits for filing responses to the Commission's third data request and the Attorney General's Supplemental data request. A copy of this filing has been delivered to the Attorney General.

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

Submitted By:



John N. Hughes  
124 West Todd St.  
Frankfort, KY 40601  
Attorney for Atmos Energy Corporation

Attachments

**RECEIVED**

**FEB 23 2010**

**PUBLIC SERVICE  
COMMISSION**

REQUEST:

With regard to the response to AG-1-2, please provide the following information:

- a. Is the import of the response to AG-1-2(b) that the corrected PSC assessment fee amount claimed in this case should be \$329,402 rather than the originally claimed amount of \$340,986? If not, explain the response.
- b. The operating revenues for the Forecasted Period in this case amount to \$199,729,497. Applying the Company's projected PSC assessment rate of .16225% effective 7/1/2010 to the Forecasted Period operating revenues of \$199,729,497 results in pro forma PSC assessments of \$324,061. Yet, the Company has proposed pro forma PSC assessments of \$340,986. Explain why it isn't more appropriate and reasonable to reflect the pro forma PSC assessment amount of \$324,061 for ratemaking purposes in this case.
- c. Please confirm that the application of the currently effective PSC assessment rate of 0.15380% to the Forecasted Period operating revenues of \$199,729,497 would result in a pro forma PSC assessment amount of \$307,184.
- d. Please confirm that the actual PSC assessment rate has declined in each year since 2006 from .17060% (2006) to .16030% (2007) to .153880 (2008). Given this recent 3-year historic trend, why is it reasonable to project that effective 7/1/10 the assessment rate will increase from .153880% to .162250%?

RESPONSE:

- a) No, the amount claimed in this case is \$340,986 as shown on Schedule C-2.3 F, line 6. The \$329,402 shown as the tax liability on attachment in AG 1-2 is the total tax liability calculated for the 2009 calendar year. The yearly tax liability is calculated on calendar year revenues. However, by the time the PSC bills and when payment is due, these new rates become expense to the Company on July 1st of every year. Therefore, since the forecasted test year is from April 1, 2010 through March 31, 2011, as Schedule C-2.3 F, line 6 shows, months April – June would be at the current rate of \$31,312 per month for a total of (\$93,936) and months July – March would be at the new calculated rate of \$27,450 per month for a total of (\$247,050).  $\$93,936 + \$247,050 = \$340,986$ , as claimed in this case.
- b) The Company believes it is more appropriate and reasonable to use the calculated amount of \$340,986 because this amount was calculated based upon

Case No. 2009-00354  
Atmos Energy Corporation, Kentucky/Mid-States Division  
AG DR Set No. 2  
Question No. 2-01  
Page 2 of 2

calendar revenues. The PSC uses calendar revenues to calculate the appropriate tax liability. Referring back to the Company's attachment for AG 1-2, the Company used the calendar revenues for 2009, which are the revenues that the PSC will use when calculating the tax liability for that period. Since there is a lag in billing this tax liability, the Company will not receive the bill for the 2009 calendar revenues until mid year 2010. Therefore, the new monthly tax liability (calculated at \$27,450) will go into effect on July 1, 2010. Please see the response to subpart (a) for the calculation of the \$340,986.

- c) The Company can confirm the calculation of revenues of \$199,729,497 times the current effective rate of 0.15380% to be \$307,184, but believes the correct amount to be included in the case to be \$340,986. Please see the response to subpart (b).
- d) The Company does confirm that the rate has declined over the past few years. This is based upon a millage rate that is set by the State each budget year. The rate can be no higher than 0.2% and with the economic conditions of the Commonwealth the Company expects the rate to increase in future years. Therefore, the average of the last four years was used to project the percentage in the case.

Respondent: Greg Waller



REQUEST:

Please confirm that the uncollectible expenses are a function of the total revenues billed for residential, commercial and public authority classes and that, in calculating the bad debt projection of \$909,895, the Company applied its claimed uncollectible ratio of 0.50% to its Forecasted Period residential, commercial and public authority revenues, as stated on page 12 of Mr. Waller's testimony. If you do not agree, explain your disagreement.

RESPONSE:

The bad debt projection is developed by applying the uncollectible ratio of 0.50% to the Forecasted Period residential, commercial and public authority revenues. The correct number to use for uncollectible expense is \$904,382.

Respondent: Greg Waller



REQUEST:

As described on page 12 of the testimony of Mr. Smith, in determining the Forecasted Test Period late payment fees, the Company has assumed that these fees are proportionate to the residential, commercial and public authority revenues at a ratio of 0.87%. The proposed Forecasted Test Period late payment fees of \$1,571,877 were calculated by the Company by applying the ratio of 0.87% to the Forecasted Test Period residential, commercial and public authority revenues at current rates. However, the Company has not reflected the incremental late payment fees that would be generated by the requested rate increase of \$9,486,033. In this regard, please provide the following information:

- a. Confirm the above facts. If you do not agree, explain your disagreement in detail.
- b. The response to AG-1-6 states that 93.73% of the proposed rate increase of \$9,486,033 is related to residential, commercial and public authority rate increases. Please confirm this.
- c. The Company's uncollectible expenses and PSC fees are also a function of the Company's operating revenues and appropriate ratios for these expenses are therefore built into the Gross Revenue Conversion Factor (GRCF) in order to reflect the incremental uncollectible expenses and PSC fees associated with the proposed rate increase. Schedule H-1, Sheet 1 shows that this results in a GRCF of 1.647432. If the late payment fee ratio of 0.87%, reduced by the application of the 93.73% ratio referenced in part (b) above, were to be built into the GRCF as well, please provide a schedule, similar to Schedule H-1, showing to what extent this would further lower the corrected GRCF of 1.646912 shown in the response to AG-1-6. In addition, provide the reduction in the originally claimed revenue deficiency as a result of this GRFC adjustment.

RESPONSE:

a) As shown on Exhibit GLS-2, on line 31, column k, the late payment fee revenues for the test year at present rates is \$1,571,877. Exhibit GLS-6, on line 30, column k, shows the late payment fee revenues for the test year at proposed rates is \$1,649,161. Thus, the portion of the proposed increase borne by services subject to the late payment fees (residential, commercial and public authority sales) is reflected and accounted for in the Company's filing.



Case No. 2009-00354  
Atmos Energy Corporation, Kentucky/Mid-States Division  
AG DR Set No .2  
Question No. 2-03  
Page 2 of 2

b) Please see Attachment 1 for a revised calculation of the percentage. While researching information related to this data request, the Company discovered an error in its original submission. The corrected percentage is 93.68%.

c) As calculated on Attachment 1, the GRCF is now 1.633511. The late payment ratio at 0.87% x 93.68% is 0.815%. The apparent change to the original revenue deficiency as a result of this GRCF change is as follows: late payment fee ratio is \$77,187 and uncollectible expense ratio is \$2,971 for a total of \$80,158; however, as indicated in the response to subpart (a), the Company has already appropriately accounted for the incremental late payment fee revenues associated with its requested rate increase in the proof of revenues. Thus, we believe there is no change in the Company's stated revenue deficiency related to the late payment fee ratio.

The company believes that including the late payment fee revenues in the GRCF would not be appropriate since the 0.87% budgeting factor applies only to the gross firm sales revenues of Residential, Commercial and Public Authority classes. The GRCF typically applies to total gross revenues. The calculation requested herein is premised on the proportion of increase borne by each rate class as reflected in the Company's filing; if the class proportion changes, then the GRCF treatment of incremental late payment fees would not be accurate. Thus, the Company would recommend that the 0.87% factor be included in the proof of revenues in the process of rate design, applicable only to the firm sales classes of Residential, Commercial and Public Authority.

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, Schedule H.1 Correction, 1 Page.

Respondent: Gary Smith

Atmos Energy Corporation, Kentucky/Mid-States Division  
Kentucky Jurisdiction Case No. 2009-00354  
Computation of Gross Revenue Conversion Factor  
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  Revised  
Workpaper Reference No(s).

Schedule H-1  
Witness: C. Felan

Line No.	Description	Base Year Percentage of Incremental Gross Revenue	Test Year Percentage of Incremental Gross Revenue
1	Operating Revenue	100.000000%	100.000000%
2	Less: Uncollectible Accounts Expense	0.500000%	0.468383%
3	Plus: LATE PAYMENT FEES		0.815%
4	Less: PSC Fees	0.153800%	0.153800%
5	Net Revenues	99.346200%	100.192804%
6	SIT Rate	6.00% 5.960772%	6.011568%
7	Income before Federal Income Tax	93.385428%	94.181236%
8	Federal Income Tax @	35% 32.684900%	32.963400%
9	Operating Income Percentage	60.700528%	61.217836%
10	Gross Revenue Conversion Factor		
11	(100 % divided by Income after Income Tax)	1.647432	1.633511

	Revenue Increase	Increase %
Residential	7,681,474	80.98%
Commercial	1,096,889	11.56%
Industrial	36,637	0.39%
Public Authority & Other	107,835	1.14%
Other	563,197	5.94%
	9,486,032	100.00%
Total Res. Com. & Public Authority	8,886,198	93.68%
Uncollectible Expense Ratio		0.500%
Adjusted Uncollectible Expense Ratio		0.468383%
		.87%*93.68%
Late Payment Fees		0.815%



Case No. 2009-00354  
Atmos Energy Corporation, Kentucky/Mid-States Division  
AG DR Set No. 2  
Question No. 2-04  
Page 1 of 1

REQUEST:

With regard to the response to AG-1-4, please confirm that the average Miscellaneous Service revenues for the most recent 5 years 2005 through 2009, whether calculated on a calendar year or fiscal year basis, amounts to approximately \$892,000 which is approximately \$108,000 higher than the Forecasted Period Miscellaneous Service revenues of approximately \$784,000. If you do not agree explain your disagreement. In addition, explain the basis for the projected Forecasted Period revenue amount of \$784,000.

RESPONSE:

In the process of research in conjunction with this data request, the Company discovered an error in its original submission.

The service charge revenues were based upon the actual transaction levels during the 12 months ending June 2009. The monthly transaction levels for each service order type were properly reflected in the workpapers, but the rates applied for those services were incorrect. We have discovered that the rates used in the computation were old rates, those in place prior to Case No. 2006-00464. Applying current rates for each service type revises the service charge revenues to a level of \$870,307.

Please see Attachment 1, which provides the corrected schedule on Page 1 of 2 and the original workpaper on Page 2 of 2.

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, Service Charges, Corrected Other Revenues, 2 Pages.

Respondent: Gary Smith

ATMOS ENERGY CORPORATION - KENTUCKY  
 SERVICE CHARGES  
 TWELVE MONTHS ENDED JUNE 30, 2009

Corrected

Line No.	Class of Customers	Rate	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	
1	<u>Meter Sets</u>														
2	Regular Hours	\$34.00	194	219	279	720	716	393	293	241	175	193	180	216	
3	After Hours	\$44.00	0	0	0	0	0	0	1	0	0	0	0	0	
6	TOTAL Billed Orders		194	219	279	720	716	393	294	241	175	193	180	216	
7	TOTAL Revenue		\$6,596	\$7,446	\$9,486	\$24,469	\$24,344	\$13,374	\$10,006	\$8,206	\$5,950	\$6,562	\$6,126	\$7,344	\$129,909
8															
9	<u>Turn on</u>														
10	Regular Hours	\$23.00	621	718	696	1,976	1,716	812	666	586	512	503	438	482	
11	After Hours	\$28.00	1	0	0	0	0	0	1	0	0	0	0	0	
12	TOTAL Billed Orders		622	718	696	1,976	1,716	812	667	586	512	503	438	482	
13	TOTAL Revenue		\$14,300	\$16,503	\$16,008	\$45,448	\$39,457	\$18,665	\$15,346	\$13,481	\$11,776	\$11,561	\$10,075	\$11,087	\$223,707
14															
15	<u>Read</u>														
16	Regular Hours	\$12.00	1,350	1,366	1,206	1,471	1,624	1,406	1,319	1,684	1,468	1,166	1,163	1,222	
17	After Hours	\$14.00	1	0	0	0	0	0	0	0	0	0	0	0	
18	TOTAL Billed Orders		1,351	1,366	1,206	1,471	1,624	1,406	1,319	1,684	1,468	1,166	1,163	1,222	
19	TOTAL Revenue		\$16,214	\$16,392	\$14,472	\$17,647	\$19,488	\$16,872	\$15,828	\$20,208	\$17,616	\$13,992	\$13,956	\$14,664	\$197,349
20															
21	<u>Reconnect Delinquent Service</u>														
22	Regular Hours	\$39.00	343	287	364	963	684	242	215	201	709	766	565	382	
23	After Hours	\$47.00	0	0	0	0	0	1	0	4	8	0	0	0	
24	TOTAL Billed Orders		343	287	364	963	684	243	215	205	717	766	565	382	
25	TOTAL Revenue		\$13,377	\$11,193	\$14,196	\$37,557	\$26,672	\$9,485	\$8,385	\$8,027	\$28,019	\$29,858	\$22,035	\$14,898	\$223,702
26															
27	<u>Seasonal Charge</u>														
28	Regular Hours	\$65.00	3	4	11	162	94	15	7	2	6	0	0	2	
29	After Hours	\$73.00	0	0	0	0	0	0	0	0	0	0	0	0	
30	TOTAL Billed Orders		3	4	11	162	94	15	7	2	6	0	0	2	
31	TOTAL Revenue		\$195	\$260	\$715	\$10,530	\$6,095	\$975	\$455	\$130	\$390	\$0	\$0	\$130	\$19,875
32															
33	<u>Meter Test Charge</u>														
34	Regular Hours	\$20.00	0	7	3	14	5	3	2	5	4	1	1	1	
35	After Hours	N/A	0	0	0	0	0	0	0	0	0	0	0	0	
36	TOTAL Billed Orders		0	7	3	14	5	3	2	5	4	1	1	1	
37	TOTAL Revenue		\$0	\$455	\$195	\$910	\$325	\$195	\$130	\$325	\$260	\$65	\$65	\$65	\$2,990
38															
39	<u>Return Check Charge</u>														
40	Regular Hours	\$25.00	199	181	189	272	196	262	361	250	260	288	267	186	
41	After Hours	N/A	0	0	0	0	0	0	0	0	0	0	0	0	
42	TOTAL Billed Orders		199	181	189	272	196	262	361	250	260	288	267	186	
43	TOTAL Revenue		\$4,975	\$4,525	\$4,725	\$6,800	\$4,900	\$6,550	\$9,025	\$6,250	\$6,500	\$7,200	\$6,675	\$4,650	\$72,775
44															
45															
46															
47															
48															
49															
50															
51															
52	SUBTOTAL - OTHER OPERATING REVENUE		\$55,657	\$56,774	\$59,797	\$143,361	\$121,281	\$66,116	\$59,175	\$56,627	\$70,511	\$69,238	\$58,932	\$52,838	\$870,307

ATMOS ENERGY CORPORATION - KENTUCKY  
SERVICE CHARGES  
TWELVE MONTHS ENDED JUNE 30, 2009

Original

Line No.	Class of Customers	Rate	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	
1	<u>Meter Sets</u>														
2	Regular Hours	\$28.00	194	219	279	720	716	393	293	241	175	193	180	216	
3	After Hours	\$35.00	0	0	0	0	0	0	1	0	0	0	0	0	
6	TOTAL Billed Orders	3820.5535	194	219	279	720	716	393	294	241	175	193	180	216	
7	TOTAL Revenue		\$5,432	\$6,132	\$7,812	\$20,151	\$20,048	\$11,014	\$8,239	\$6,758	\$4,900	\$5,404	\$5,045	\$6,048	\$106,982
8															
9	<u>Turn on</u>														
10	Regular Hours	\$20.00	621	718	696	1,976	1,716	812	666	586	512	503	438	482	
11	After Hours	\$25.00	1	0	0	0	0	0	1	0	0	0	0	0	
12	TOTAL Billed Orders	9725.9565	622	718	696	1,976	1,716	812	667	586	512	503	438	482	
13	TOTAL Revenue		\$12,435	\$14,350	\$13,920	\$39,520	\$34,310	\$16,230	\$13,345	\$11,723	\$10,240	\$10,053	\$8,761	\$9,641	\$194,529
14															
15	<u>Read</u>														
16	Regular Hours	\$12.00	1,350	1,366	1,206	1,471	1,624	1,406	1,319	1,684	1,468	1,166	1,163	1,222	
17	After Hours	\$14.00	1	0	0	0	0	0	0	0	0	0	0	0	
18	TOTAL Billed Orders	16445.557	1,351	1,366	1,206	1,471	1,624	1,406	1,319	1,684	1,468	1,166	1,163	1,222	
19	TOTAL Revenue		\$16,214	\$16,392	\$14,472	\$17,647	\$19,488	\$16,872	\$15,828	\$20,208	\$17,616	\$13,992	\$13,956	\$14,664	\$197,349
20															
21	<u>Reconnect Delinquent Service</u>														
22	Regular Hours	\$34.00	343	287	364	963	684	242	215	201	709	766	565	382	
23	After Hours	\$40.00	0	0	0	0	0	1	0	4	8	0	0	0	
24	TOTAL Billed Orders	5733.317	343	287	364	963	684	243	215	205	717	766	565	382	
25	TOTAL Revenue		\$11,662	\$9,758	\$12,376	\$32,742	\$23,253	\$8,268	\$7,310	\$6,994	\$24,419	\$26,030	\$19,210	\$12,988	\$195,010
26															
27	<u>Seasonal Charge</u>														
28	Regular Hours	\$65.00	3	4	11	162	94	15	7	2	6	0	0	2	
29	After Hours	\$73.00	0	0	0	0	0	0	0	0	0	0	0	0	
26	TOTAL Billed Orders	305.76923	3	4	11	162	94	15	7	2	6	0	0	2	
27	TOTAL Revenue		\$195	\$260	\$715	\$10,530	\$6,095	\$975	\$455	\$130	\$390	\$0	\$0	\$130	\$19,875
28															
29	<u>Meter Test Charge</u>														
30	Regular Hours	\$20.00	0	7	3	14	5	3	2	5	4	1	1	1	
31	After Hours	N/A	0	0	0	0	0	0	0	0	0	0	0	0	
32	TOTAL Billed Orders	46	0	7	3	14	5	3	2	5	4	1	1	1	
33	TOTAL Revenue		\$0	\$455	\$195	\$910	\$325	\$195	\$130	\$325	\$260	\$65	\$65	\$65	\$2,990
34															
35															
36	<u>Return Check Charge</u>														
37	Regular Hours	\$23.00	199	181	189	272	196	262	361	250	260	288	267	186	
38	After Hours	N/A	0	0	0	0	0	0	0	0	0	0	0	0	
39	TOTAL Billed Orders	2911	199	181	189	272	196	262	361	250	260	288	267	186	
40	TOTAL Revenue		\$4,577	\$4,163	\$4,347	\$6,256	\$4,608	\$6,026	\$8,303	\$5,750	\$5,980	\$6,624	\$6,141	\$4,278	\$66,953
41															
42	SUBTOTAL - OTHER OPERATING REVENUE		\$50,515	\$51,510	\$53,837	\$127,756	\$108,027	\$59,580	\$53,610	\$51,887	\$63,805	\$62,168	\$53,178	\$47,814	\$783,688



Case No. 2009-00354  
Atmos Energy Corporation, Kentucky/Mid-States Division  
AG DR Set No. 2  
Question No. 2-05  
Page 1 of 1

REQUEST:

Schedule C-2.1 F shows that the Forecasted Period operating revenues for residential, commercial and public authority are \$116,589,846, \$52,141,186 and \$12,145,471, respectively for a total revenue amount of \$180,876,503. Taking 0.50% of that results in a derived uncollectible expense of \$904,382. Please reconcile this amount to the claimed Forecasted Period uncollectible expense amount of \$909,895.

RESPONSE:

Please see the Company's response to AG DR Set No. 2, Question No. 2-02. The uncollectible expense that should be used in the Forecasted Period is \$904,382.

Respondent: Greg Waller





Case No. 2009-00354  
Atmos Energy Corporation, Kentucky/Mid-States Division  
AG DR Set No. 2  
Question No. 2-06  
Page 1 of 1

REQUEST:

The proposed uncollectible expenses currently included in the Forecasted Period amount to \$909,895. Under the assumption that the Company's proposal to transfer the gas cost uncollectibles to the GCA is approved by the PSC, please provide the following information:

- a. Would this reduce the Forecasted Period uncollectible expenses from \$909,895 to \$218,323? If not, explain why not.
- b. How would this assumed PSC approval impact the claimed 0.50% uncollectible ratio used in the Gross Revenue Conversion Factor? Please comment in detail.

RESPONSE:

- a) As identified in the Company's response to AG DR Set No. 2, Question No. 2-05, the uncollectible expense would be reduced from the corrected number of \$904,382 to \$218,323.
- b) The uncollectible ratio used in the Gross Revenue Conversion Factor would be reduced to 0.12%.

Respondent: Greg Waller



REQUEST:

The response to AG-1-14 shows that the Forecasted Period 13-month average prepayment balance includes prepayments of \$112,660 related to Nations Bank. In this regard, please provide the following information:

- a. Does this represent a prepayment for costs associated with a credit facility fee paid to Nations Bank? If not, explain what this prepayment represents.
- b. If these prepayments are associated with the Company's short term debt, explain why they should be considered for ratemaking purposes considering that the Company has taken the position that its short term debt and all costs associated with its short term debt should not be recognized for ratemaking purposes in this case.

RESPONSE:

- a) Yes.
- b) Yes. The Company agrees that this investment should be removed to be consistent with the ratemaking treatment of short-term debt in the Company's filing. The allocated amount for this item in ratebase is \$5,610.

Respondent: Chris Felan



REQUEST:

With regard to the response to AG-1-18, please provide the following information:

- a. AG-1-18(a), among other things, requested the monthly jurisdiction allocated balances making up the 13-month average Forecasted Period Customer Advances balance of \$1,864,402. The Company responded that this can be found in Attachment 1 to the response. However, Attachment 1 does not appear to include this information. Please provide the requested information.
- b. AG-1-18(c) requested an explanation for the projected decrease in Customer Advances from the Base Period to the Forecasted Period. The Company responded that "there is an error in calculating the 13 month average. Please see Attachment 1 for the corrected 13 month average calculation." Please clarify and show what the revised 13-month average Forecasted Period Customer Advances balance (by Division and total net balance) is when corrected for the calculation error. Page 2 of Attachment 1 of the response would appear to show that the corrected 13-month average Forecasted Period Customer Advances balance for Division 09 is \$2,716,301, however this is somewhat confusing as the heading states it is the corrected balance for the Base Period, not the Forecasted Period. Hence, the request for clarification
- c. The Company's as-filed total net 13-month average Forecasted Period Customer Advances balance amounts to \$1,864,402. Please provide the equivalent total net 13-month average Forecasted Period Customer Advances balance when corrected for the calculation error described in part (b) above and reflecting the removal of the Division 91 Customer Advances agreed upon by the Company in its response to AG-1-18(e).

RESPONSE:

- a) Please see Attachment 1 for the 'as filed' amount of \$1,864,402 and the 'as corrected' amount of \$2,715,301. As reported in the Company's response to AG 1-18(a), the amount reported was not the 13-month average for customer advances. The Division 09 as filed amount of \$1,876,531 was a hard coded figure not the calculated 13-month average of the monthly activity.
- b) Please see Attachment 1 for the corrected Forecasted Period Customer Advances of \$2,715,301. This amount reflects the removal of the Division 91 Customer Advances agreed upon in the Company response to AG-1-18(e). The heading was changed to reflect that it is for the Forecasted Period.

Case No. 2009-00354  
Atmos Energy Corporation, Kentucky/Mid-States Division  
AG DR Set No. 2  
Question No. 2-08  
Page 2 of 2

c) Please see the response to subpart (b).

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, Customer Advances, 1 Page.

Respondent: Chris Felan







Case No. 2009-00354  
Atmos Energy Corporation, Kentucky/Mid-States Division  
AG DR Set No. 2  
Question No. 2-09  
Page 1 of 1

REQUEST:

Please expand the response to AG-1-20 by providing actual Taxes other than Income Tax information for the months of November and December 2009 and January 2010.

RESPONSE:

Please see Attachment 1 for Taxes other than Income Tax updated through January 2010.

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, Taxes Other Than Income Tax Updated Through January 2010, 8 Pages.

Respondent: Greg Waller

Atmos Energy Corporation, Kentucky-Mid States Division  
 Kentucky Jurisdiction Case No. 2009-00354  
 Account 4081-Taxes Other than Income Tax by Sub-Account  
 Months Jan 05 thru Jan 10

Data:  Base Period  Forecasted Period  
 Type of Filing:  Original  Updated  Revised  
 Worksheet Reference No(s):

Line No.	Description	actual		actual		actual		actual		actual		actual		actual		actual		actual	
		Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Div 009																		
1	FICA	58,432	40,647	35,558	31,108	27,284	29,538	29,270	27,413	27,503	33,611	63,149	44,401	2,101	80,424	37,009	35,949	19,030	45,345
2	FUTA	6,610	2,128	(678)	(284)	1	23	10	(2)	19	28	45	35	5,863	2,316	(897)	(44)	4	19
3	SUTA	3,616	1,464	1,453	(900)	(1)	15	7	2	10	42	27	26	3,915	1,780	(441)	(39)	(2)	13
4	Ad Valorem - Accrual	186,804	186,804	186,804	186,804	186,804	186,804	192,500	211,108	216,804	216,804	222,600	211,108	216,804	216,804	216,804	216,804	216,804	216,804
5	Taxes Property and Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Public Service Commission Assessment	26,558	26,558	26,558	26,558	26,558	28,558	27,645	27,645	27,645	27,645	27,645	27,645	27,645	27,645	27,645	27,645	27,645	27,645
7	DOT transmission User Tax	-	35,318	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Benefit load Projects	-	-	111	-	-	-	-	-	-	-	163	-	65	163	-	-	-	-
9	Denver City Tax Load	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Occupational Licenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	City Franchise	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,444
12	Allocation for taxes other CSC	27,291	17,898	18,487	17,791	21,378	21,916	19,259	13,694	14,338	12,700	17,004	11,582	22,365	17,298	17,358	14,341	10,288	16,494
13	Allocation from taxes other SS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Total	309,311	310,817	288,304	281,095	262,025	264,854	268,592	279,861	286,318	290,828	330,532	294,797	278,758	384,680	297,479	294,657	279,212	306,320
15																			
16	Div 002																		
17	FICA	138,071	107,895	120,354	107,439	123,384	118,973	111,945	72,540	110,573	110,921	184,387	104,803	134,344	153,343	168,873	136,177	147,002	152,053
18	FUTA	16,393	2,866	1,740	2,055	3,038	2,647	423	(128)	384	710	957	750	19,186	5,282	1,087	373	656	820
19	SUTA	42,827	10,979	6,741	6,180	8,184	7,588	4,767	(817)	852	1,912	3,005	2,178	48,650	18,201	7,603	2,519	2,552	2,224
20	Ad Valorem	10,000	10,000	10,000	10,000	10,000	10,000	15,000	15,000	15,000	25,000	25,000	25,000	25,000	25,000	25,000	35,000	35,000	35,000
21	Benefit Load Projects	-	-	-	(216)	(49)	-	-	-	86	-	-	-	-	-	-	-	-	-
22	Taxes Property And Other	-	-	-	-	-	21,580	-	-	-	-	-	-	-	-	-	-	-	-
23	Denver City Tax Load	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Corp/State Franchise Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Benefits Load	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Total Tax Other Than Income Tax	207,291	131,740	138,835	126,458	144,536	160,788	132,134	86,595	126,875	138,543	193,349	132,529	227,178	201,826	202,542	174,089	185,210	190,097
27																			
28	Allocation Factor to Kentucky Mid-States (Div 091)																		
29	Allocation Factor to Kentucky Jurisdiction (Div 009)	4.87%	4.87%	4.87%	4.87%	4.87%	4.87%	4.87%	4.87%	4.87%	5.21%	5.21%	5.21%	5.21%	5.21%	5.21%	5.21%	5.21%	5.21%
30																			
31	Total Allocated Amount	10,095	6,416	6,761	8,110	7,039	7,830	6,435	4,217	6,179	7,218	10,073	6,905	11,838	10,515	10,552	9,069	9,849	9,904
32																			
33	Div 012																		
34	FICA	45,980	41,844	43,404	72,284	91,976	83,112	84,488	70,661	8,171	97,919	124,545	84,198	104,804	109,149	108,725	88,444	93,713	102,244
35	FUTA	5,589	1,235	613	1,486	2,254	1,849	353	(43)	34	593	725	802	15,029	3,518	433	228	417	551
36	SUTA	14,698	4,521	2,391	4,584	6,119	5,299	3,637	(356)	(122)	1,609	2,278	1,747	38,107	12,448	4,287	1,590	1,620	1,502
37	Benefit Load Projects	-	-	-	-	-	-	-	-	2,895	1,414	-	314	75	-	-	85	100	-
38	Ad Valorem	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Taxes Property And Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Total Tax Other Than Income Tax	66,167	47,600	46,409	78,334	100,349	90,260	88,476	70,262	10,977	101,535	127,548	86,861	157,715	125,116	113,445	90,347	95,849	104,297
41																			
42	Allocation Factor to Kentucky Mid-States (Div 091)																		
43	Allocation Factor to Kentucky Jurisdiction (Div 009)	5.66%	5.66%	5.66%	5.66%	5.66%	5.66%	5.66%	5.66%	5.66%	5.66%	5.66%	5.66%	5.66%	5.66%	5.66%	5.66%	5.66%	5.66%
44																			
45	Total Allocated Amount	3,745	2,694	2,627	4,434	5,880	5,108	5,008	3,977	621	5,787	7,245	4,934	8,958	7,107	6,444	5,132	5,444	5,924
46																			

Atmos Energy Corporation, Kentucky-Mid States Division  
 Kentucky Jurisdiction Case No. 2009-00354  
 Account 4081-Taxes Other than Income Tax by Sub-Account  
 Months Jan 05 thru Jan 10

Data:  Base Period  Forecasted Period  
 Type of Filing:  Original  Updated  
 Worksheet Reference No(s):

Line No.	Description	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual
		Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07
	Div 009																		
1	FICA	20,291	27,434	24,597	37,821	30,783	22,874	44,881	27,129	29,816	31,395	28,133	25,942	24,072	25,644	20,308	29,050	36,495	23,066
2	FUTA	32	31	38	16	7	5	5,321	1,117	(791)	20	25	22	20	15	20	32	33	24
3	SUTA	40	19	26	980	(669)	(349)	2,997	1,876	141	5	25	11	20	23	29	29	31	18
4	Ad Valorem - Accrual	216,804	216,804	216,804	219,304	219,304	219,304	219,304	219,304	219,304	219,304	219,304	219,304	219,304	219,304	219,304	224,304	224,304	224,304
6	Taxes Property and Other	-	-	800,000	11,839	8,602	7,750	11,865	10,507	8,812	9,079	9,232	8,788	10,242	8,761	7,885	19,281	14,348	9,038
6	Public Service Commission Assessment	33,470	33,470	33,470	33,470	33,470	33,470	33,470	33,470	33,470	33,470	33,470	33,470	33,470	33,470	33,470	33,470	33,470	33,470
7	DOT transmission User Tax	-	-	-	-	-	-	37,481	-	-	-	-	1,311	-	-	-	-	-	-
8	Benefit load Projects	-	-	-	-	1,875	1,114	319	766	1,014	462	795	668	(96)	(271)	380	137	249	262
9	Denver City Tax Load	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Occupational Licenses	-	-	-	-	-	-	-	-	-	40	-	-	-	50	-	-	-	-
11	City Franchise	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Allocation for taxes other CSC	5,071	4,532	4,762	6,875	7,039	6,971	8,496	5,823	6,066	7,287	5,103	6,155	5,784	5,965	10,383	8,493	7,034	7,348
13	Allocation from taxes other SS	8,649	8,907	10,104	12,594	12,809	10,949	16,460	12,915	9,494	13,071	9,772	11,089	10,673	10,943	15,026	16,162	13,250	12,362
14	Total	285,356	291,195	1,089,802	322,898	312,816	302,089	343,111	350,377	307,325	314,133	305,859	306,761	289,600	300,016	302,898	327,128	325,327	306,003
15																			
18	Div 002																		
17	FICA	127,499	172,122	123,383	191,212	187,984	180,483	204,141	178,672	182,658	217,909	183,788	174,230	174,559	179,879	316,400	277,651	238,163	225,310
17	FUTA	765	1,038	795	648	558	341	24,732	6,018	934	748	741	649	739	821	670	546	454	203
18	FUTA	1,938	(44,730)	20,739	1,405	1,017	936	27,520	9,629	3,239	1,959	(25,005)	8,920	1,173	937	851	758	609	431
19	SUTA	35,000	35,000	35,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
20	Ad Valorem	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Benefit Load Projects	-	-	-	-	-	-	38	-	-	-	-	-	-	-	-	-	-	-
22	Taxes Property And Other	-	-	-	-	-	-	-	-	-	-	378	326	2	13	22,593	4,381	-	-
23	Denver City Tax Load	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Corp/State Franchise Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(61,338)	-	-	-
25	Benefits Load	-	-	-	-	-	-	12,584	-	-	-	-	-	-	-	-	-	-	-
26	Total Tax Other Than Income Tax	165,192	183,430	179,887	213,265	209,539	201,760	289,015	214,318	205,831	240,616	179,891	204,126	196,474	201,438	276,607	321,548	283,606	245,944
27																			
28	Allocation Factor to Kentucky Mid-States (Div 091)				14.78%	14.76%	14.76%	14.76%	14.76%	14.76%	14.76%	14.76%	14.76%	14.76%	14.76%	14.76%	14.74%	14.74%	14.74%
29	Allocation Factor to Kentucky Jurisdiction (Div 009)	5.21%	5.21%	5.21%	36.77%	38.77%	38.77%	36.77%	36.77%	36.77%	36.77%	36.77%	36.77%	36.77%	36.77%	36.77%	34.09%	34.09%	34.09%
30																			
31	Total Allocated Amount	8,607	8,515	9,373	11,574	11,372	10,950	15,686	11,632	11,225	13,059	9,763	11,078	10,863	10,933	15,012	16,157	13,246	12,359
32																			
33	Div 012																		
34	FICA	87,426	107,879	70,192	111,490	114,652	113,589	111,562	87,145	96,012	118,534	93,648	94,851	92,208	95,610	174,446	143,457	117,141	123,006
34	FUTA	517	651	455	378	341	216	14,219	2,484	512	422	374	394	330	385	282	223	115	115
35	FUTA	1,330	(28,738)	13,194	816	623	590	15,819	4,281	1,725	1,087	(12,953)	4,648	618	498	470	392	299	238
36	SUTA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	Benefit Load Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Ad Valorem	-	-	-	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
39	Taxes Property And Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Total Tax Other Than Income Tax	89,272	79,794	83,841	122,683	125,616	124,395	151,601	103,910	108,248	130,043	91,069	109,842	103,220	106,438	185,283	154,130	127,663	133,358
41																			
42	Allocation Factor to Kentucky Mid-States (Div 091)				15.03%	15.03%	15.03%	15.03%	15.03%	15.03%	15.03%	15.03%	15.03%	15.03%	15.03%	15.03%	14.91%	14.91%	14.91%
43	Allocation Factor to Kentucky Jurisdiction (Div 009)	5.88%	5.88%	5.88%	37.26%	37.26%	37.26%	37.26%	37.26%	37.26%	37.26%	37.26%	37.26%	37.26%	37.26%	37.26%	36.93%	36.93%	36.93%
44																			
45	Total Allocated Amount	5,071	4,532	4,762	6,870	7,035	6,986	8,490	5,819	6,062	7,283	5,100	6,151	5,781	5,961	10,376	8,487	7,029	7,343
46																			

Atmos Energy Corporation, Kentucky-Mid States Division  
 Kentucky Jurisdiction Case No. 2009-00354  
 Account 4081-Taxes Other than Income Tax by Sub-Account  
 Months Jan 05 thru Jan 10

Date:   X   Base Period            Forecasted Period  
 Type of Filing:   X   Original            Updated             
 (Worksheet Reference No(s))

Line No.	Description	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	
		Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09
<b>Div 009</b>																			
1	FICA	39,795	30,676	29,992	29,502	27,107	28,651	27,454	28,483	22,846	36,502	58,209	22,311	43,800	36,289	34,704	31,994	35,866	25,300
2	FUTA	5,421	339	(129)	11	9	18	41	25	20	31	8	8,860	448	43	(32)	(6)	1	
3	SUTA	3,692	670	1,682	(320)	19	18	(4)	65	(1,072)	313	25	(0)	3,931	2,449	1,481	(391)	(25)	1
4	Ad Valorem - Accrual	224,304	224,304	524,304	224,304	224,304	224,304	224,304	224,304	224,304	234,304	234,304	(285,695)	234,304	234,304	234,304	234,304	234,304	234,304
5	Taxes Property and Other	12,673	24,528	(15,192)	9,027	9,371	9,389	9,190	9,034	8,572	8,510	11,614	(410,411)	11,134	8,282	8,648	7,745	8,228	7,433
6	Public Service Commission Assessment	29,582	29,582	29,582	29,582	29,582	29,582	27,156	27,156	27,156	27,156	27,156	27,156	27,156	27,156	27,156	27,156	27,156	27,156
7	DOT transmission User Tax	-	-	42,927	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Benefit Load Projects	(130)	636	145	139	(40)	173	(118)	7	(180)	-	-	-	107	-	-	127	-	80
9	Denver City Tax Load	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Occupational Licenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	City Franchise	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Allocation for taxes other CSC	9,399	7,285	6,622	6,885	6,971	7,880	6,079	6,317	6,122	7,090	11,740	4,593	10,058	6,741	7,311	6,901	8,760	6,265
13	Allocation from taxes other SS	14,796	(3,550)	10,418	11,434	11,248	12,266	7,330	11,774	9,880	12,536	21,376	11,681	19,438	11,632	12,741	12,273	16,221	11,708
14	<b>Total</b>	<b>339,532</b>	<b>314,459</b>	<b>630,349</b>	<b>357,529</b>	<b>308,570</b>	<b>312,281</b>	<b>301,432</b>	<b>307,135</b>	<b>297,767</b>	<b>326,443</b>	<b>364,451</b>	<b>(610,272)</b>	<b>355,680</b>	<b>327,289</b>	<b>343,639</b>	<b>319,949</b>	<b>330,917</b>	<b>345,226</b>
<b>Div 002</b>																			
17	FICA	229,802	206,040	199,135	213,599	212,195	236,282	131,677	222,225	187,547	239,213	416,833	131,718	288,692	205,347	238,953	231,551	293,888	208,800
18	FUTA	31,138	2,377	1,753	452	204	535	423	401	185	224	269	238	30,809	4,200	1,760	302	567	514
19	SUTA	22,091	3,881	(4,866)	2,194	148	(6,018)	2,478	378	(423)	321	166	218	28,808	6,721	3,166	903	440	543
20	Ad Valorem	11,241	11,241	11,241	11,241	11,241	11,241	11,241	11,241	11,241	12,000	12,000	102,000	12,000	12,000	12,000	12,000	29,000	29,000
21	Benefit Load Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Taxes Property And Other	2	-	-	5	-	(5)	18	-	-	-	-	-	-	-	-	-	-	-
23	Denver City Tax Load	-	-	-	-	-	-	-	-	-	-	-	-	31,938	5,319	-	1,698	2,041	(3,740)
24	Corp/State Franchise Tax	-	-	-	-	-	-	-	-	-	-	-	2	3	3	-	3	3	3
25	Benefits Load	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	<b>Total Tax Other Than Income Tax</b>	<b>284,374</b>	<b>223,539</b>	<b>207,263</b>	<b>227,491</b>	<b>223,789</b>	<b>244,035</b>	<b>145,837</b>	<b>234,243</b>	<b>188,549</b>	<b>251,758</b>	<b>429,268</b>	<b>234,174</b>	<b>380,349</b>	<b>233,589</b>	<b>255,869</b>	<b>246,457</b>	<b>325,743</b>	<b>235,119</b>
28	Allocation Factor to Kentucky Mid-States (Div 091)	14.74%	14.74%	14.74%	14.74%	14.74%	14.74%	14.74%	14.74%	14.74%	14.59%	14.59%	14.59%	14.59%	14.59%	14.59%	14.59%	14.59%	14.59%
29	Allocation Factor to Kentucky Jurisdiction (Div 009)	34.09%	34.09%	34.09%	34.09%	34.09%	34.09%	34.09%	34.09%	34.09%	34.13%	34.13%	34.13%	34.13%	34.13%	34.13%	34.13%	34.13%	34.13%
30																			
31	<b>Total Allocated Amount</b>	<b>14,782</b>	<b>11,233</b>	<b>10,415</b>	<b>11,431</b>	<b>11,245</b>	<b>12,262</b>	<b>7,328</b>	<b>11,770</b>	<b>9,977</b>	<b>12,536</b>	<b>21,376</b>	<b>11,681</b>	<b>18,438</b>	<b>11,632</b>	<b>12,741</b>	<b>12,273</b>	<b>16,221</b>	<b>11,708</b>
<b>Div 012</b>																			
34	FICA	123,380	110,110	103,103	104,880	107,566	127,122	89,949	95,566	92,471	109,730	194,042	64,515	135,480	98,392	111,709	106,025	133,296	88,084
35	FUTA	18,649	1,269	884	203	106	285	279	181	91	102	125	116	14,638	2,027	811	131	256	217
36	SUTA	11,812	2,073	(2,561)	1,108	78	(3,156)	1,335	162	(208)	152	77	104	13,642	3,230	1,463	404	197	228
37	Benefit Load Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Ad Valorem	18,759	18,759	18,759	18,759	18,759	18,759	18,759	18,759	18,759	18,500	18,500	18,500	18,500	18,500	18,500	18,500	25,000	25,000
39	Taxes Property And Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	<b>Total Tax Other Than Income Tax</b>	<b>170,639</b>	<b>132,211</b>	<b>120,185</b>	<b>124,950</b>	<b>126,506</b>	<b>143,011</b>	<b>110,322</b>	<b>114,648</b>	<b>111,114</b>	<b>128,484</b>	<b>212,745</b>	<b>83,235</b>	<b>182,261</b>	<b>122,150</b>	<b>132,483</b>	<b>125,062</b>	<b>158,750</b>	<b>113,529</b>
42	Allocation Factor to Kentucky Mid-States (Div 091)	14.91%	14.91%	14.91%	14.91%	14.91%	14.91%	14.91%	14.91%	14.91%	14.89%	14.89%	14.89%	14.89%	14.89%	14.89%	14.89%	14.89%	14.89%
43	Allocation Factor to Kentucky Jurisdiction (Div 009)	36.93%	36.93%	36.93%	36.93%	36.93%	36.93%	36.93%	36.93%	36.93%	37.06%	37.06%	37.06%	37.06%	37.06%	37.06%	37.06%	37.06%	37.06%
44																			
45	<b>Total Allocated Amount</b>	<b>9,393</b>	<b>7,280</b>	<b>6,618</b>	<b>6,880</b>	<b>6,966</b>	<b>7,875</b>	<b>6,075</b>	<b>6,313</b>	<b>6,116</b>	<b>7,090</b>	<b>11,740</b>	<b>4,593</b>	<b>10,058</b>	<b>6,741</b>	<b>7,311</b>	<b>6,901</b>	<b>8,760</b>	<b>6,265</b>

Atmos Energy Corporation, Kentucky-Mid States Division  
 Kentucky Jurisdiction Case No. 2009-00354  
 Account 4081-Taxes Other than Income Tax by Sub-Account  
 Months Jan 05 thru Jan 10

Data:  Base Period  Forecasted Period  
 Type of Filing:  Original  Updated  
 Worksheet Reference No(s):

Line No.	Description	actual	actual	actual	actual	actual	actual	actual	CY05	CY06	CY07	CY08	CY09	12 months end
		Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Totals	Totals	Totals	Totals	Totals	Jan. 2010
<b>Div 009</b>														
1	FICA	29,806	24,937	28,510	31,854	56,268	20,279	13,456	447,922	383,657	345,972	381,607	399,428	369,084
2	FUTA	(1)	0	3	12	19	5	3,117	7,951	7,388	5,855	5,821	6,350	3,807
3	SUTA	2,021	(161)	(20)	39	1	27	3,934	5,761	5,272	5,204	5,078	6,335	9,338
4	Ad Valorem - Accrual	234,304	234,304	234,304	244,304	244,304	244,304	244,304	2,391,648	#####	2,646,648	2,521,648	2,841,648	2,851,648
5	Taxes Property and Other	8,508	7,429	14,764	8,757	10,942	6,843	6,588	0	828,191	127,640	(313,696)	108,713	104,177
6	Public Service Commission Assessment	31,312	31,312	31,312	31,312	31,312	31,312	31,312	325,220	386,689	378,307	348,424	350,808	354,954
7	DOT transmission User Tax	-	-	-	-	-	-	-	35,318	38,152	36,792	42,927	50,518	50,516
8	Benefit load Projects	21	-	75	101	29	116	-	275	3,018	4,655	759	0	548
9	Denver City Tax Load	-	-	-	-	-	-	-	0	0	18	0	40	90
10	Occupational Licenses	-	-	-	40	-	-	50	0	0	0	0	0	0
11	City Franchise	-	-	-	-	-	-	-	0	0	0	0	0	0
12	Allocation for taxes other CSC	8,757	6,516	6,892	6,900	6,637	4,760	6,391	0	40,695	83,938	85,882	86,497	82,830
13	Allocation from taxes other SS	15,420	11,753	22,044	13,401	14,181	14,485	21,442	213,339	162,951	151,217	131,259	175,276	177,281
14	<b>Total</b>	<b>330,148</b>	<b>316,090</b>	<b>337,863</b>	<b>336,521</b>	<b>363,694</b>	<b>322,111</b>	<b>330,804</b>	<b>3,427,434</b>	<b>#####</b>	<b>3,768,537</b>	<b>3,249,675</b>	<b>4,029,159</b>	<b>4,004,063</b>
<b>Div 002</b>														
16	FICA	278,681	208,121	388,906	239,736	495,013	261,390	297,129	1,391,064	#####	2,653,339	2,628,366	3,332,876	3,343,313
17	FUTA	422	460	3,026	601	438	285	32,296	31,814	31,518	37,055	38,199	43,493	44,870
18	SUTA	1,568	390	23,807	616	652	222	64,189	94,395	63,053	31,030	20,665	67,822	103,163
19	Ad Valorem	29,000	29,000	29,000	20,500	20,500	20,500	25,000	180,000	345,000	240,000	227,189	254,500	267,500
21	Benefit Load Projects	-	53	(59)	-	-	-	-	(179)	0	38	0	(6)	(6)
22	Taxes Property And Other	-	3	-	-	31,934	-	4	21,580	0	27,693	20	69,199	37,265
23	Denver City Tax Load	3	3	3	3	3	3	3	0	0	2	2	30	30
24	Corp/State Franchise Tax	-	-	-	-	-	-	-	0	0	(61,338)	0	0	-
25	Benefits Load	-	-	-	-	-	-	-	0	0	12,584	0	0	0
26	<b>Total Tax Other Than Income Tax</b>	<b>309,671</b>	<b>236,030</b>	<b>442,682</b>	<b>281,455</b>	<b>548,540</b>	<b>282,399</b>	<b>418,602</b>	<b>1,718,674</b>	<b>#####</b>	<b>2,840,403</b>	<b>2,914,321</b>	<b>3,767,903</b>	<b>3,766,158</b>
27	Allocation Factor to Kentucky Mid-States (Div 091)	14.59%	14.59%	14.59%	14.86%	14.86%	14.86%	14.86%						
29	Allocation Factor to Kentucky Jurisdiction (Div 009)	34.13%	34.13%	34.13%	34.47%	34.47%	34.47%	34.47%						
30														
31	<b>Total Allocated Amount</b>	<b>16,420</b>	<b>11,753</b>	<b>22,044</b>	<b>13,382</b>	<b>28,098</b>	<b>14,465</b>	<b>21,442</b>						
<b>Div 012</b>														
33	FICA	132,732	92,889	99,522	105,846	101,588	67,322	71,378	848,560	#####	1,347,619	1,322,414	1,272,885	1,208,584
34	FUTA	204	207	176	268	59	73	7,826	15,289	22,732	20,064	20,269	18,086	12,254
35	SUTA	735	174	186	272	110	58	15,549	46,307	47,373	17,122	10,977	20,700	22,607
37	Benefit Load Projects	17	10	3	-	-	-	-	4,623	259	0	0	30	30
38	Ad Valorem	25,000	25,000	25,000	19,500	19,500	19,500	22,000	0	30,000	120,000	224,331	257,500	261,000
39	Taxes Property And Other	1	1	1	1	1	1	1	0	0	1	1	12	12
40	<b>Total Tax Other Than Income Tax</b>	<b>158,689</b>	<b>118,081</b>	<b>124,889</b>	<b>125,886</b>	<b>121,266</b>	<b>86,954</b>	<b>116,754</b>	<b>914,779</b>	<b>#####</b>	<b>1,504,806</b>	<b>1,577,992</b>	<b>1,669,994</b>	<b>1,604,487</b>
41	Allocation Factor to Kentucky Mid-States (Div 091)	14.89%	14.89%	14.89%	14.74%	14.74%	14.74%	14.74%						
43	Allocation Factor to Kentucky Jurisdiction (Div 009)	37.08%	37.05%	37.06%	37.11%	37.11%	37.11%	37.11%						
44														
45	<b>Total Allocated Amount</b>	<b>8,757</b>	<b>6,516</b>	<b>6,892</b>	<b>6,885</b>	<b>6,633</b>	<b>4,756</b>	<b>6,386</b>						
46														

Atmos Energy Corporation, Kentucky-Mid States Division  
 Kentucky Jurisdiction Case No. 2009-00354  
 Account 4081-Taxes Other than Income Tax by Sub-Account  
 Months Jan 05 thru Jan 10

Date:  Base Period  Forecasted Period  
 Type of Filing:  Original  Updated  Revised  
 Workpaper Reference No(s):

Line No.	Description	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	
		Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06
47	Div 091																		
48	FICA	8,841	7,020	6,095	4,446	4,214	4,620	4,315	4,747	2,828	5,183	8,011	5,629	2,135	10,472	7,217	5,039	2,231	5,394
49	FUTA	1,117	381	(178)	(28)	(1)	1	2	4	3	3	4	0	877	324	(162)	(5)	1	3
50	SUTA	2,537	(601)	308	(91)	3	10	2	10	(182)	(328)	83	7	708	484	142	(54)	8	4
51	Ad Valorem	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
52	Benefit Load Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	Denver City Tax Load	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
54	Occupational Licenses	-	-	-	-	-	-	-	-	-	-	-	-	-	225	-	-	-	-
55	State Franchise Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	Total Tax Other Than Income Tax	23,495	16,810	15,223	14,327	14,216	14,630	14,319	14,761	12,649	14,858	18,097	15,637	13,720	21,505	17,197	14,980	12,240	15,402
57																			
58	Allocation Factor to Kentucky Mid-States (Div 091)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
59	Allocation Factor to Kentucky Jurisdiction (Div 009)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
60																			
61	Total Allocated Amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Atmos Energy Corporation, Kentucky-Mid States Division  
 Kentucky Jurisdiction Case No. 2009-00354  
 Account 4081-Taxes Other than Income Tax by Sub-Account  
 Months Jan 05 thru Jan 10

Data:  Base Period  Forecasted Period  
 Type of Filing:  Original  Updated  
 Workpaper Reference No(s):

Line No.	Description	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	
		Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07
47	Div 091																		
48	FICA	5,522	4,745	8,856	21,815	13,731	11,241	21,844	15,482	14,359	14,680	15,073	13,818	17,633	13,761	11,317	15,335	18,117	13,713
49	FUTA	6	6	11	9	3	2	2,572	894	(434)	7	14	12	15	8	11	17	16	14
50	SUTA	7	(212)	92	564	(345)	(171)	(1,956)	2,391	35	(3)	15	6	14	13	16	15	15	11
51	Ad Valorem	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	12,500	12,500	12,500
52	Benefit Load Projects	-	-	-	-	-	-	-	-	-	-	-	60	183	39	97	192	152	268
53	Denver City Tax Load	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	-	-
54	Occupational Licenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	State Franchise Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	Total Tax Other Than Income Tax	15,535	14,539	18,759	32,188	23,388	21,072	32,259	28,567	23,859	24,685	25,101	23,896	27,845	23,820	21,441	28,069	30,800	26,503
57																			
58	Allocation Factor to Kentucky Mid-States (Div 091)	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
59	Allocation Factor to Kentucky Jurisdiction (Div 009)	0.00%	0.00%	0.00%	38.77%	38.77%	38.77%	36.77%	38.77%	36.77%	38.77%	38.77%	36.77%	38.77%	36.77%	38.77%	34.09%	34.09%	34.09%
60																			
61	Total Allocated Amount	0	0	0	11,835	8,800	7,748	11,862	10,504	8,810	9,077	9,230	8,787	10,239	8,759	7,864	9,569	10,500	9,035



Atmos Energy Corporation, Kentucky-Mid States Division  
 Kentucky Jurisdiction Case No. 2009-00354  
 Account 4081-Taxes Other than Income Tax by Sub-Account  
 Months Jan 05 thru Jan 10

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 Type of Filing:  Original  Updated  
 Workpaper Reference No(s):

Line No.	Description	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	actual	
		Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09
47	Div 091																		
48	FICA	19,867	15,139	16,934	14,135	14,980	14,920	14,085	13,456	12,993	14,404	23,728	7,821	18,112	12,719	14,183	12,777	13,895	11,533
49	FUTA	2,787	143	(53)	2	6	9	21	12	11	12	11	3	2,369	125	27	(13)	(2)	0
50	SUTA	1,898	318	944	(185)	12	10	(2)	27	(590)	168	10	(0)	1,589	860	605	(156)	(10)	1
51	Ad Valorem	12,500	12,500	(62,500)	12,500	12,500	12,500	12,500	12,500	12,500	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
52	Benefit Load Projects	112	438	122	20	4	94	348	498	224	350	280	230	552	562	524	86	226	243
53	Denver City Tax Load	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
54	Occupational Licenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	State Franchise Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58	Total Tax Other Than Income Tax	37,164	28,538	(44,552)	26,471	27,482	27,533	26,850	26,493	25,138	24,934	34,029	18,053	32,621	24,266	25,340	22,694	24,108	21,778
57																			
58	Allocation Factor to Kentucky Mid-States (Div 091)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
59	Allocation Factor to Kentucky Jurisdiction (Div 009)	34.09%	34.09%	34.09%	34.09%	34.09%	34.09%	34.09%	34.09%	34.09%	34.13%	34.13%	34.13%	34.13%	34.13%	34.13%	34.13%	34.13%	34.13%
60																			
61	Total Allocated Amount	12,669	9,729	(15,188)	9,024	9,369	9,386	9,187	9,031	8,569	8,510	11,614	6,161	11,133	8,282	8,648	7,745	8,228	7,433

Atmos Energy Corporation, Kentucky-Mid States Division  
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 Months Jan 05 thru Jan 10

Data:  Base Period  Forecasted Period  
 Type of Filing:  Original  Updated

Line No.	Description	actual							CY05	CY06	CY07	CY08	CY09	12 months end
		Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Totals	Totals	Totals	Totals	Totals	Jan, 2010
47	Div 091													
48	FICA	13,855	11,597	80,456	12,696	21,397	9,427	4,799	65,947	97,998	184,931	182,443	232,547	219,234
49	FUTA	(1)	-	618	5	7	3	1,169	1,318	1,076	2,945	2,955	3,135	1,936
50	SUTA	915	(72)	(47,872)	16	0	12	1,475	1,758	1,227	573	2,609	(44,112)	(44,225)
51	Ad Valorem	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000	120,000	127,500	67,500	120,000	120,000
52	Benefit Load Projects	159	241	58	102	241	385	67	0	0	989	2,717	3,378	2,893
53	Denver City Tax Load	-	-	-	-	-	-	-	0	0	10	0	0	-
54	Occupational Licenses	-	-	-	-	100	25	-	-	-	-	-	125	125
55	State Franchise Tax	-	-	-	-	-	-	-	0	225	0	0	0	-
56	Total Tax Other Than Income Tax	24,929	21,767	43,258	22,719	31,745	19,851	17,610	189,022	220,526	316,947	258,233	315,073	299,652
57														
58	Allocation Factor to Kentucky Mid-States (Div 091)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%						
59	Allocation Factor to Kentucky Jurisdiction (Div 095)	34.13%	34.13%	34.13%	34.47%	34.47%	34.47%	34.47%						
60														
61	Total Allocated Amount	8,508	7,429	14,764	7,831	10,942	6,843	8,036						



REQUEST:

The responses to AG-1-20 and AG-1-24 show the following information with regard to the Company's property taxes:

	<u>Taxes Accrued</u> [AG-1-20]	<u>Taxes Actually Paid</u> [AG-1-24]
2006	\$2,609,148	\$2,437,249
2007	\$2,646,648	\$2,377,675
2008	\$2,501,648	\$2,501,209

In this regard, please provide the following information:

- a. What is the basis for the taxes listed under the Taxes Accrued column?
- b. What is the basis for the taxes listed under the Taxes Actually Paid column and explain the reasons for the differences with the accrued taxes for the corresponding years.

RESPONSE:

a) The amounts in the Taxes Accrued column represent the accrual equal to our estimate of taxes to be paid for each tax year with adjustments for over or under accruals. The accrual amount can be adjusted over the course of the calendar year based on the information available during the accrual period.

b) The basis for the Taxes Actually Paid column are the total of the tax payments made for each corresponding tax year. The only exception is the 2008 tax year since we have not received all of the 2008 tax statements based off the recently settled value. In this case, we have estimated the remainder of the 2008 tax liability which is included in the above total. The differences between the taxes accrued and taxes actually paid occur for different reasons. The amounts shown in the taxes accrued column are accrued on a monthly basis throughout the calendar year and sometimes the full amount of the accrual has to be booked before a final value for the tax year is agreed upon. This can cause over or under accruals that can roll over into the next calendar year affecting the amount accrued for the next calendar year.

Respondent: Greg Waller



REQUEST:

With regard to the response to AG-1-24, please provide the following information:

- a. If available by now, provide the actual 2008 taxes paid. If not yet available, indicate when it is expected and provide the information at that time.
- b. Current status of the actual 2009 taxes to be paid that are under protest. If the actual tax amount is available, please provide it.
- c. The taxes paid for the three most recent available years 2006, 2007 and 2008 (based on estimated tax paid) are, on average, only 72.8 % of the taxes based on the initial valuation and, with regard to 2008, the Company has estimated its 2008 taxes paid amount of \$2,501,209 to be 79.5% of the tax based on the initial valuation. Please confirm these facts. If you do not agree, explain your disagreement.
- d. What is the Company's best estimate at this time, and based on the actual historic facts listed in part (c) above, of the actual taxes to be paid in 2009 as compared to the tax based on the initial valuation of \$3,183,708.
- e. Please expand the response to AG-1-24 by providing the Initial Valuation, Estimated Taxes base off Initial Value for 2010. In addition, explain whether these initial estimated tax assessments are under protest by the Company and what the current status is of the protest.
- f. In its response to AG-1-22(d), the Company states that its proposed Forecasted Period property tax amount of \$3,004,939 "represents the Company's estimate of what it expects to ultimately incur in ad valorem tax expense during the forecasted test year. Based on the information shown in the response to AG-1-24, explain how the Company derived this forecasted tax amount of \$3,004,939.

RESPONSE:

- a) Not all of the 2008 Kentucky tax statements for ad valorem taxes owed, based off our recently settled value, have been received. We expect to receive a majority of the 2008 Kentucky tax statements over the next few months. Once the all the tax statements have been received, the total tax amount will be provided.

Case No. 2009-00354  
Atmos Energy Corporation, Kentucky/Mid-States Division  
AG DR Set No. 2  
Question No. 2-11  
Page 2 of 3

- b) Currently, the 2009 Kentucky value is still under protest. We have received no offers to settle the value to date.
- c) The above information is confirmed.
- d) Currently we are in the beginning stages of the protest process. At this point, we can simply acknowledge that a compromise will most likely be reached with the state hopefully somewhere between the initial value assessed by the state and our claimed value. For estimation purposes, if we reached an agreement with the state at the midpoint between the initial value and the claimed value the estimated taxes would be \$2,786,639.
- e) The initial value has not been provided to us by the state for the 2010 tax year. The initial value is usually mailed to us in late summer or fall of the relevant tax year. Once the initial value has been received an estimated tax can be calculated. Protest status will be determined once the appraisal noting the initial value has been reviewed.

Each tax year is considered unique due to annual changes in variables that impact the assessed value such as the net operating income, total plant in service and capitalization rates. Annual fluctuations in the aforementioned variables directly affect the assessed value given to Atmos Energy Corporation by the Kentucky Department of Revenue. Over the recent years, our net operating income and total plant in service have continued to climb increasing our assessed value each year. Current indicators predict that these variables will continue to escalate which will cause increases to occur in the assessed valuations and tax estimations related to these valuations for the 2010 and 2011 tax years.

Based on historical trends in the initial values given by the Kentucky Department of Revenue we anticipate an increase in our initial value for the 2010 tax year to be within the range of three to six percent. This estimated increase projects an initial value between \$291,810,485 and \$300,309,800. This estimated initial value would yield a tax estimate between \$3,279,219 and \$3,374,730.

For the 2010 tax year, the budgeted expense to be booked for Kentucky ad valorem taxes totals \$3,000,000 with a reduction for capitalized CWIP of \$68,352 leaving a net expense of \$2,931,648. The expense to be booked is lower than the estimated taxes based off the projected 2010 initial value because historically we have settled on an assessed value lower than the initial value.

- f) The \$3,004,939 was derived by summing the 12 months of ad valorem expense accrual that it plans to book during the forecasted test period. The amount includes six months of the Company's FY 2010 budgeted amount of \$244,304

Case No. 2009-00354  
Atmos Energy Corporation, Kentucky/Mid-States Division  
AG DR Set No. 2  
Question No. 2-11  
Page 3 of 3

per month (see subpart (e) above:  $\$2,931,648 / 12 = \$244,304$ ) plus six months of a forecasted accrual amount for FY 2011 that was derived by adding 5% to the 2010 level of accrual which is within the anticipated range of three to six percent referenced in subpart (e) above ( $\$244,304 \times 1.05 = \$256,519$ ).

Respondent: Greg Waller





Case No. 2009-00354  
Atmos Energy Corporation, Kentucky/Mid-States Division  
AG DR Set No. 2  
Question No. 2-12  
Page 1 of 1

REQUEST:

In the response to AG-1-32(a), the Company concedes that the corrected Account 923 – Outside Services Employed account for the Forecasted Period should be \$209,244 (as filed amount of \$270,906 less error amount of \$61,662). Please reconcile this corrected Forecasted Period Account 923 amount of \$209,244 to the Forecasted Period Account 923 Division 009 expense amount of \$163,314 shown on Schedule F.5 as corrected on page 2 of 2 of the response to AG-1-32.

RESPONSE:

Please see Attachment 1.

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, Account 923 Reconciliation, 1 Page.

Respondent: Greg Waller

Atmos Energy Corporation, Kentucky/Mid-States Division  
 Kentucky Jurisdiction  
 Account 923 Reconciliation  
 AG DR 2-12, Update to AG DR 1-32 Part b

Data:  Base Period  Forecasted Period  
 Type of Filing:  Original  Updated  Revised  
 Workpaper Reference No(s): \_\_\_\_\_  
 FR 10(10)(F)  
 Schedule F-5  
 Witness: G. Waller

Line No.	Description	Forecasted Period		
		Total Utility	Kentucky Jurisdictional	Allocated Amount
<b>Account 923 - Outside Services Employed</b>				
1				
2	Div 009			
3	05111- Postage	\$ 29	100%	\$ 29
4	05430 - Gas Supply Services	45,900	100%	45,900
5	06111- Contract Labor	74,047	100%	74,047
6	06121- Legal	89,267	100%	89,267
7	Total	<u>\$ 209,244</u>		<u>\$ 209,244</u>
8				
9	Div 091			
10	06111- Contract Labor	\$ 24,276	34.13%	\$ 8,285
11	06121- Legal	-	34.13%	-
12	Total	<u>\$ 24,276</u>		<u>\$ 8,285</u>
13				
14	Div 002			
15	06111- Contract Labor	\$ 6,751,045	5.23%	\$ 353,378
16	06121- Legal	59,514	5.23%	3,115
17	Total	<u>\$ 6,810,560</u>		<u>\$ 356,493</u>
18				
19	Div 012			
20	06111- Contract Labor	\$ 1,189,200	5.41%	\$ 64,376
21	06121- Legal	-	5.41%	-
22	Total	<u>\$ 1,189,200</u>		<u>\$ 64,376</u>

Note: Rate Case related expenses are shown separately on Schedule F-6.



Case No. 2009-00354  
Atmos Energy Corporation, Kentucky/Mid-States Division  
AG DR Set No. 2  
Question No. 2-13  
Page 1 of 1

REQUEST:

In the response to AG-1-38, the Company states that the allocated Division 091 expense report exclusion of \$23,239 should be increased by \$44,855 to \$68,094. Please confirm that, therefore, the total expense exclusion on Schedule F.8 (and to be reflected for ratemaking purposes in this case) should amount to \$134,100 (\$89,245 + \$44,855) as also shown on page 42 of the response to AG-1-38.

RESPONSE:

The total expense report exclusion on Schedule F.8 should have reflected a total of \$134,100, which includes an allocated Division 091 expense report amount of \$68,094.

Respondent: Greg Waller



Case No. 2009-00354  
Atmos Energy Corporation, Kentucky/Mid-States Division  
AG DR Set No. 2  
Question No. 2-14  
Page 1 of 1

REQUEST:

In the same format as per Schedule F.6, please provide the actual rate case expenses booked by the Company through January 31, 2010.

RESPONSE:

Please see Attachment 1 for a summary of current rate case expenses through January 31, 2010 booked by the Company.

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, Rate Case Expenses Through January 31, 2010, 1 Page.

Respondent: Greg Waller

Atmos Energy Corporation, Kentucky Division  
AG DR 2-14  
Rate Case Expenses  
Through January 31, 2010

Line No.	Description	Amount
1	<b>Consulting</b>	
2	Class Cost Study - P. Raab	\$ 14,000
3	Cost of Capital - Vander Weide, J. H.	\$ 5,525
4	sub-total	\$ 19,525
5		
6	<b>Legal Fees</b>	
7	(J. Hughes/R. Hutchinson)	\$ -
8		
9	<b>Employee Expense</b>	
10	(airfare, lodging, meals, etc.)	\$ -
11		
12	<b>Miscellaneous Expense</b>	
13	(printing, advertising, postage, public notification, etc.)	\$ 39,359
14		
15	<b>Total Projected Rate Case Expense</b>	<u>\$ 58,884</u>
16		
17	<b>Three (3) Year Amortization of Rate Case Expenses</b>	<u>\$ 19,628</u>





Case No. 2009-00354  
Atmos Energy Corporation, Kentucky/Mid-States Division  
AG DR Set No. 2  
Question No. 2-15  
Page 1 of 1

REQUEST:

In the response to AG-1-47, the Company states that the Forecasted Period includes \$36,224 (\$9,056 per month times the 4 months April through July 2010) worth of amortization expenses associated with the Company's prior rate case which amortization expenses will expire in July 2010. In this regard, please provide the following information:

- a. Since the Company has assumed that the rate effective period of the current case is 3 years, why wouldn't it be appropriate to re-amortize the remaining prior rate case amortization expense of \$36,224 over a 3-year period, thereby avoiding over-recovery of this expense in rate effective years 2 and 3?
- b. Please confirm that a re-amortization over a 3-year period of the prior rate case amortization amount of \$36,224 would reduce the Forecasted Period O&M expenses by \$24,149.

RESPONSE:

- a) While not the methodology filed in this case by the Company, the Company will agree to treat these remaining rate case expenses from the prior case as implied by the question and re-amortize them over a three-year period.
- b) The Company agrees that Forecasted Period O&M expense would be reduced by \$24,149 when the remaining rate case expense from the prior case is re-amortized.

Respondent: Greg Waller



Case No. 2009-00354  
Atmos Energy Corporation, Kentucky/Mid-States Division  
AG DR Set No. 2  
Question No. 2-16  
Page 1 of 2

REQUEST:

The response to AG-1-40 states that the amount of service award/employee award expenses for the Forecasted Period is not available. In this regard, please provide the following information:

- a. Confirm that in the prior case, in its response to AG-1-56(b), the Company was able to identify total Forecasted Period service award/employee award expenses of \$123,358, consisting of Division 9 expenses of \$72,474 and \$50,884 worth of expenses allocated from Divisions 91, 2 and 12.
- b. Confirm that Schedule F.2.3 of the current case shows that the Forecasted Period includes \$69,435 worth of service award/employee award expenses allocated from Divisions 91, 2 and 12. If you do not agree, explain your disagreement. Also, explain whether these expenses are reflected above-the-line rather than below-the line.
- c. Explain why there are no Forecasted Period service award/employee award expenses for Division 9 shown on Schedule F.2.3. If they are available, please provide them.
- d. Please provide the actual service award/employee award expenses booked by the Company in the most recent actual annual period for which these expenses are available. Provide these actual expenses for Division 9 as well as the allocated expenses from Divisions 91, 2 and 12.

RESPONSE:

- a) The Company can confirm these amounts were shown in its response to AG-1-56(b) in the prior case. In response to AG-1-40, the Company was asked to provide a detailed breakout and description of Service Awards for the Forecasted Period, this information is not available at this detail for the Forecasted Period.
- b) The Company agrees that \$69,435 is shown on Schedule F.2.3. The service award expenses are booked above the line and have not been removed from rate base.
- c) With the combining of the Kentucky and Mid-States divisions, these costs are now booked to Division 91, which is allocated to KY (Division 09). These costs would be included in the \$64,932 on line 7 of Schedule F.2.3.

Case No. 2009-00354  
Atmos Energy Corporation, Kentucky/Mid-States Division  
AG DR Set No. 2  
Question No. 2-16  
Page 2 of 2

d)

	Total Utility	Kentucky Jurisdictional	Allocated Amount
<b>Div 009</b>	\$ -	100.00%	\$ -
<b>Div 091</b>	\$ 167,589	34.13%	\$ 57,195
<b>Div 002</b>	\$ 49,260	5.23%	\$ 2,578
<b>Div 012</b>	\$ 19,246	5.41%	\$ 1,042
<b>Grand Total</b>	<u>\$ 236,095</u>		<u>\$ 60,816</u>

Respondent: Greg Waller



Case No. 2009-00354  
Atmos Energy Corporation, Kentucky/Mid-States Division  
AG DR Set No. 2  
Question No. 2-17  
Page 1 of 1

REQUEST:

The Company has stated that all employee party expenses have been treated below-the-line in this case. As confirmed in its responses to AG-1-57 and AG-1-85 in the prior rate case, in that case, the Company's above-the-line expenses included expenses for, among other things, (1) Christmas reception, (2) golf tournaments, (3) picnics, (4) breakroom supplies, (5) flower funds, and (6) corporate sponsorships. To the extent that any of these 6 types of expenses are included in the above-the-line Forecasted Period expenses, provide the Division 9 and allocated Division 91, 2 and 12 expenses for each expense category. If they are not available for the Forecasted Period, provide these 6 types of expenses for the most recent actual 12-month period for which they are available.

RESPONSE:

In the prior case, the Division did book expenses that fit into these six types of expenses above the line. Since the last case, the division has made a change in the way that it treats and books expenses related to Christmas receptions, golf tournaments, picnics and corporate sponsorships. These four types of expenses are now booked below the line and therefore, are not included in the forecasted period revenue requirements. Direct division expenses for break room supplies and flower funds were and continue to be booked above the line as Employee Welfare Expenses. These two types of expenses are not booked by a specific tracking number and therefore, are not available in detail. These expenses are booked to a sub account for miscellaneous employee expenses. For the total Employee Welfare Expense amount, refer to Attachment 1 in the Company's response to AG DR Set No. 1, Question No. 1-42.

Respondent: Greg Waller





Case No. 2009-00354  
Atmos Energy Corporation, Kentucky/Mid-States Division  
AG DR Set No. 2  
Question No. 2-18  
Page 1 of 1

REQUEST:

Based on the information of Schedule F.1 and the response to AG-1-43, please confirm that the Forecasted Period in this case includes \$2,620 for Home Builders Association dues (items b, c, f, g, h, i, n and p); \$7,500 for the Partnership for Commonsense Justice; and \$547 for Temple, Science and History Museum and Rotary dues (items a, j, l). If you do not agree, explain your disagreement.

RESPONSE:

The Company confirms the Forecasted Period does include the amounts of \$2,620, \$7,500 and \$547 for the associations listed.

Respondent: Greg Waller



Case No. 2009-00354  
Atmos Energy Corporation, Kentucky/Mid-States Division  
AG DR Set No. 2  
Question No. 2-19  
Page 1 of 1

REQUEST:

With regard to the response to AG-1-44, please explain the nature and purpose of the \$5,000 dues for the University of Oklahoma and the \$350 dues for the Cliff Hagan Boys and Girls Club. In addition, explain why it is appropriate to charge the Kentucky Atmos ratepayers for the \$262 and \$119 allocated charges associated with these dues.

RESPONSE:

These charges were coded above the line in error and should be removed from revenue requirements in this case.

Respondent: Greg Waller



REQUEST:

The bottom line on Attachment 8 to the response to AG-1-48 shows "CSC Incentive Pay" dollar amounts for each of the years 2006 through 2009. In this regard, please provide the following information:

- a. Provide an explanation of the nature and purpose of these incentive compensation dollar amounts.
- b. What is the equivalent CSC Incentive Pay amount included in the Forecasted Period and why is this amount not shown and included in the Forecasted Period incentive compensation table in Attachment 7 to the response to AG-1-48?
- c. Are any of the performance criteria for the awards to be paid under the CSC Incentive program tied to financial performance factors (such as Atmos' EPS for all of the other incentive compensation programs)? If so, provide the percentage of the CSC Incentive program awards that is a function of such financial performance criteria.

RESPONSE:

- a) Please see Attachment 6 to the Company's response to AG DR Set No. 1, Question No. 1-48 for a description of the CSC incentive program.
- b) The equivalent amount of CSC incentive pay in the Forecasted Period is \$558,888 of which \$26,545 is allocated to Kentucky (net of capitalization). These amounts were left off of the Company's response to AG DR Set No. 1, Question No. 1-48 in error.
- c) This incentive program is not tied to financial performance. Please see the attachment referenced in the response to subpart (a).

Respondent: Greg Waller



REQUEST:

In determining its Forecasted Period payroll expenses, the Company has assumed salary/wage increases of 3.5% effective October 2010. As shown in the response to AG-1-55, the Company's most recent actual wage/salary increases in FY 2010 amounted to 2.52% for the non-exempt employees and 2.87% for the exempt employees. Please provide the Forecasted Period payroll O&M expenses (currently shown to be \$5,004,953 as per Schedule G.2) based on the assumption that the October 1, 2010 wage increases for non-exempt and exempt employees will be 2.52% and 2.87%, respectively.

In addition, provide the impact of the resulting payroll O&M expense reduction on the Forecasted Period payroll taxes.

RESPONSE:

The FY 2010 increases of \$176,782 (2.52%) for non-exempt employees and \$164,518 (2.87%) for exempt employees presented in response to AG 1-55 failed to account for lump sum payments made to select individuals. Several employees who are currently paid close to or exceeding their pay grade maximum received lump sum merit awards rather than base wage or salary increases for FY 2010. The Company utilized this approach more frequently in 2010 as compared to prior years in an attempt to maintain its philosophy to pay market competitive wages while striving for efficiency in its operation.

The lump sum awards for FY 2010 totaled \$27,987. When added to the increases referenced above, the total is \$369,287 which is 2.98%. Thus the total expense to the Company for merit awards in FY 2010 was within 0.02% of its FY 2010 target.

For the remainder of the question, the assumption that the request requires Atmos Energy to accept is erroneous due to the facts discussed above. Therefore, any response would be inaccurate. The assumption does not reflect the actual Company experience for FY 2010, which includes normal increases and lump sum merit awards approximating 3% in total.

Please also see the Company's response to Staff DR Set No. 2, Question No. 2-19 and Staff DR Set No. 3, Question No. 3-04 for the Company's Merit Increase Guidelines for 2005 – 2010 and a discussion of the target used for the Forecasted Period.

Respondent: Greg Waller





REQUEST:

With regard to the response to AG-1-61, please provide the following information:

- a. The response does not appear to indicate whether the SERP benefits are offered in addition to the "regular", qualified retirement plan benefits received by the eligible employees. Please provide this information.
- b. The response does not appear to explain in what ways the SERP plan is distinguishable from the regular, qualified retirement plan, i.e., explain what benefits are offered to the eligible employees under the regular, qualified retirement plan and what additional benefits are offered to these same employees through the SERP plan. Please provide this information.
- c. Attachment 2 to the response to AG-1-61 shows that the Forecasted Period includes allocated SERP expenses of \$254,822. In this regard, please provide the following additional information:
  - 1) Provide a listing of the employees receiving the Forecasted Period SERP awards of \$254,822. This listing should show the title and Atmos Company association of each eligible employee.
  - 2) Clarify whether the SERP expense amount of \$254,822 represents an O&M expense amount or a pre-capitalized cost amount. If the latter, provide the O&M expense portion of the \$254,822 included in the Forecasted Period.

RESPONSE:

- a) The SERP benefits are in addition to the "regular" qualified retirement plan. However, the current SERP arrangement is a 60 percent of covered compensation defined benefit arrangement in which benefits from the underlying qualified benefit plan are an offset to the SERP benefit.
- b) Please see Attachment 1 and Attachment 2 for the Pension Account Plan and a more detailed explanation of the SERP plan.
- c) Part 1. Please see Attachment 3 for the list of employees receiving SERP and SEBP.

Part 2. The \$254,822 represents the O&M expense amount in the Forecasted Period.

ATTACHMENTS:

ATTACHMENT 1 - Atmos Energy Corporation, SERP Plan, 45 Pages.

ATTACHMENT 2 - Atmos Energy Corporation, Pension Account Plan, 18 Pages.

ATTACHMENT 3 - Atmos Energy Corporation, Employees Receiving SERP and SEBP, 2 Pages.

Respondent: Greg Waller

**ATMOS ENERGY CORPORATION**  
**SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN**  
**(AN AMENDMENT AND RESTATEMENT OF THE**  
**PERFORMANCE-BASED**  
**SUPPLEMENTAL EXECUTIVE BENEFITS PLAN)**

**Effective Date: August 7, 2007**

## TABLE OF CONTENTS

<u>Article</u>		<u>Page</u>
ARTICLE I	Purpose and Effective Date.....	1
Section 1.1.	Purpose.....	1
Section 1.2.	Effective Date .....	1
ARTICLE II	Definitions and Construction .....	1
Section 2.1.	Definitions.....	1
Section 2.2.	Construction.....	7
Section 2.3.	Governing Law .....	8
ARTICLE III	Eligibility and Participation .....	8
Section 3.1.	Employees Eligible to Participate.....	8
ARTICLE IV	Assets Used for Benefits .....	8
Section 4.1.	Amounts Provided by the Employer.....	8
Section 4.2.	Funding .....	9
ARTICLE V	Supplemental Pension Benefits.....	10
Section 5.1.	Eligibility for Supplemental Pension .....	10
Section 5.2.	Amount of Supplemental Pension .....	11
Section 5.3.	Form of Payment of Supplemental Pension.....	12
Section 5.4.	Commencement of Supplemental Pension .....	14
Section 5.5.	Supplemental Pensions After a Change in Control.....	16
ARTICLE VI	Disability Benefits .....	18
Section 6.1.	Eligibility For Disability Benefit .....	18
Section 6.2.	Amount of Disability Benefit.....	18
Section 6.3.	Payment of Disability Benefit.....	18
Section 6.4.	Payment of Supplemental Pension to Disabled Participants .....	18
ARTICLE VII	Death Benefits.....	19
Section 7.1.	Eligibility For Death Benefit .....	19
Section 7.2.	Amount of Death Benefit.....	20
Section 7.3.	Form of Payment of Death Benefits .....	22
Section 7.4.	Commencement of Death Benefits .....	23
ARTICLE VIII	Administration .....	24
Section 8.1.	Plan Administration .....	24
Section 8.2.	Powers of Plan Administrator .....	24
Section 8.3.	Calculation of Funding Obligations.....	24
Section 8.4.	Annual Statements .....	25
ARTICLE IX	Miscellaneous Provisions.....	25
Section 9.1.	Amendment or Termination of the Plan .....	25

Section 9.2.	Nonguarantee of Employment .....	28
Section 9.3.	Nonalienation of Benefits .....	28
Section 9.4.	Liability .....	28
Section 9.5.	Participation Agreement .....	29
Section 9.6.	Successors to the Employer .....	29
Section 9.7.	Tax Withholding .....	29
Exhibit A	Participation Agreement	
Exhibit B	Summary of Actuarial Assumptions for Determining Lump Sum Distributions and Optional Annuity Forms	
Exhibit C	Summary of Actuarial Assumptions and Methods for Determining Supplemental Executive Retirement Plan Trust Annual Funding Liabilities	

## ARTICLE I

### Purpose and Effective Date

Section 1.1. Purpose: The purpose of this Plan is to provide supplemental retirement income, death and disability benefits to certain executive employees of Atmos Energy Corporation. This Plan is intended to be unfunded and maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees so as to be exempt from the requirements of Parts 2, 3 and 4 of Title I of ERISA, and shall be so interpreted.

Section 1.2. Effective Date: The Plan, which is effective as of August 7, 2007, is an amendment and restatement of the Performance-Based Supplemental Executive Benefits Plan which was adopted effective August 12, 1998. The Plan shall apply generally to any participant in the Prior Plan (as defined below) who did not terminate employment prior to August 7, 2007. Except as otherwise provided herein, any Eligible Employee who is a participant in the Prior Plan and who terminated employment prior to August 7, 2007, shall be entitled to those benefits, if any, provided by the Prior Plan, as modified, where appropriate, to comply with the requirements of Code Section 409A and the guidance issued thereunder as then in effect.

## ARTICLE II

### Definitions and Construction

Section 2.1. Definitions: The following words and phrases used in this Plan shall have the respective meanings set forth below, unless the context in which they are used clearly indicates a contrary meaning:

(a) Beneficiary: The individual or individuals described in Section 7.3 of this Plan who are receiving any benefit payments hereunder.

(b) Board of Directors: The Board of Directors of the Employer.

(c) Cause: The termination of employment by the Employer upon the happening of either (i) or (ii) as follows:

(i) The willful and continued failure by the Participant to substantially perform his duties with the Employer (other than any such failure resulting from the Participant's incapacity due to physical or mental illness) after a written demand for substantial performance is delivered to the Participant by the Employer that specifically identifies the manner in which the Employer believes that the Participant has not substantially performed his duties.

(ii) The Participant's willful engagement in conduct that is demonstrably and materially injurious to the Employer, monetarily or otherwise.

For purposes of this paragraph, no act, or failure to act, on the Participant's part shall be deemed "willful" if done, or omitted to be done, by the Participant in good faith and with a reasonable belief that the action or omission was in the best interests of the Employer. Notwithstanding the foregoing, the Participant shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to the Participant a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters (3/4) of the entire membership of the Board of Directors of the Employer at a meeting of such Board of Directors called and held for such purpose (after reasonable notice to the Participant and an opportunity for the Participant, together with the Participant's counsel, to be heard before the Board of Directors), finding that in the good faith opinion of the Board of Directors that the Participant was guilty of conduct set forth above in subparagraph (i) or (ii) and specifying the particulars thereof in detail.

(d) Change in Control:

(i) A "Change in Control" of the Employer occurs upon a change in the Employer's ownership, its effective control or the ownership of a substantial portion of its assets, as follows:

(A) Change in Ownership. A change in ownership of the Employer occurs on the date that any "Person" (as defined in subparagraph (ii) below), other than (1) the Employer or any of its subsidiaries, (2) a trustee or other fiduciary holding securities under an employee benefit plan of the Employer or any of its Affiliates, (3) an underwriter temporarily holding stock pursuant to an offering of such stock, or (4) a corporation owned, directly or indirectly, by the shareholders of the Employer in substantially the same proportions as their ownership of the Employer's stock, acquires ownership of the Employer's stock that, together with stock held by such Person, constitutes more than 50% of the total fair market value or total voting power of the Employer's stock. However, if any Person is considered to own already more than

50% of the total fair market value or total voting power of the Employer's stock, the acquisition of additional stock by the same Person is not considered to be a Change of Control. In addition, if any Person has effective control of the Employer through ownership of 30% or more of the total voting power of the Employer's stock, as discussed in subparagraph (i)(B) below, the acquisition of additional control of the Employer by the same Person is not considered to cause a Change in Control pursuant to this subparagraph (i)(A); or

(B) Change in Effective Control. Even though the Employer may not have undergone a change in ownership under subparagraph (i)(A) above, a change in the effective control of the Employer occurs on either of the following dates:

(1) the date that any Person acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person) ownership of the Employer's stock possessing 30 percent or more of the total voting power of the Employer's stock. However, if any Person owns 30% or more of the total voting power of the Employer's stock, the acquisition of additional control of the Employer by the same Person is not considered to cause a Change in Control pursuant to this subparagraph (i)(B)(1); or

(2) the date during any 12-month period when a majority of members of the Board is replaced by directors whose appointment or election is not endorsed by a majority of the Board before the date of the appointment or election; provided, however, that any such director shall not be considered to be endorsed by the Board if his or her initial assumption of office occurs as a result of an actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(C) Change in Ownership of Substantial Portion of Assets. A change in the ownership of a substantial portion of the Employer's assets occurs on the date that a Person acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person) assets of the Employer, that have a total gross fair market value equal to at least 40% of the total gross fair market value of all of the Employer's assets immediately before such acquisition or acquisitions. However, there is no Change in Control when there is such a transfer to an entity that is controlled by the shareholders of the Employer



immediately after the transfer, through a transfer to (1) a shareholder of the Employer (immediately before the asset transfer) in exchange for or with respect to the Employer's stock; (2) an entity, at least 50% of the total value or voting power of the stock of which is owned, directly or indirectly, by the Employer; (3) a Person that owns directly or indirectly, at least 50% of the total value or voting power of the Employer's outstanding stock; or (4) an entity, at least 50% of the total value or voting power of the stock of which is owned by a Person that owns, directly or indirectly, at least 50% of the total value or voting power of the Employer's outstanding stock.

(ii) For purposes of subparagraph (i) above,

(A) "Person" shall have the meaning given in Section 7701(a)(1) of the Code. Person shall include more than one Person acting as a group as defined by the Final Treasury Regulations issued under Section 409A of the Code.

(B) "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Securities Exchange Act of 1934, as amended.

(iii) The provisions of this Section 2.1(d) shall be interpreted in accordance with the requirements of the Final Treasury Regulations under Code Section 409A, it being the intent of the parties that this Section 2.1(d) shall be in compliance with the requirements of said Code Section and said Regulations.

(e) Code: The Internal Revenue Code of 1986, as amended, or any successor thereto.

(f) Compensation: Except as otherwise provided in the Participant's Participation Agreement, the sum of (i) and (ii) as follows:

(i) The greater of (A) the Participant's annual base salary with the Employer at the date of his termination of employment, or (B) the average of the Participant's annual base salary for the highest three (3) calendar years (whether or not consecutive) of the Participant's employment with the Employer.

(ii) The greater of (A) the Participant's last Performance Award, or (B) the average of the highest three (3) Performance Awards (whether or not consecutive).

(g) Covered Employment: The total period of employment with the Employer.

(h) Death Benefit: The total benefit provided under this Plan upon the death of a Participant, which benefit is calculated in this Plan on a pre-tax basis.

(i) Disability: The termination of a Participant's active employment with the Employer on account of a medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, for which the Participant is receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Employer.

(j) Disability Benefit: The monthly benefit provided under this Plan to a Participant who suffers a Disability, which benefit is calculated in this Plan on a pre-tax basis.

(k) Eligible Employee: An employee of the Employer (i) who was not a participant in the Supplemental Executive Benefits Plan ("SEBP") as of August 12, 1998 and is either a (A) corporate officer of the Employer selected by the Board of Directors in its discretion to participate in the Plan, or (B) the president of an operating division of the Employer or any other employee of the Employer selected by the Board of Directors in its discretion to participate in the Plan; or (ii) who was a participant in the SEBP prior to January 1, 1999, but who as of January 1, 1999 elected in writing to cease his participation in the SEBP and become an Eligible Employee hereunder as of that date. Any employee who elected to become an Eligible Employee pursuant to clause (ii) of the preceding sentence shall receive credit as an Eligible Employee hereunder for the period of time he was an eligible employee under the SEBP.

(l) Employer: Atmos Energy Corporation.

(m) ERISA: The Employee Retirement Income Security Act of 1974, as amended.

(n) Group Long-Term Disability Plan: The Atmos Energy Corporation Group Long-Term Disability Plan, as amended from time to time.

(o) Involuntary Termination: The termination of a Participant's participation in the Plan due to either (i) or (ii) as follows:

(i) Involuntary termination of the Participant's employment by the Employer, provided said termination constitutes a Separation from Service and such termination is for any reason other than Cause or Disability.

(ii) Any reason other than for Cause by the Employer prior to the Participant's Separation from Service with the Employer.

(p) LTD Disability: A disability (i) as determined under the Group Long-Term Disability Plan, as in effect from time to time, or (ii) a determination of total

disability for purposes of eligibility for Social Security disability benefits, if such Group Long-Term Disability Plan is not then in existence, or the Participant is no longer entitled to benefits under the Group Long-Term Disability Plan because such Participant received a lump sum settlement of disability benefits under that plan. If a Participant's Disability is based on his eligibility for Social Security disability benefits, such Participant shall not be treated as having suffered an LTD Disability unless he shall provide the Plan Administrator, or a committee which may be established pursuant to Section 8.1, with written proof, in a form and within the time determined by the Plan Administrator, or a committee which may be established pursuant to Section 8.1, to be satisfactory, that such Participant is receiving Social Security disability benefits, and unless such Participant provides written proof of the continuing receipt of Social Security disability benefits six months after commencement of such Social Security disability benefits and every six months thereafter, such Participant's Disability shall be deemed to have ceased at the time he fails to provide such written proof.

(q) Participant: An Eligible Employee of the Employer who meets the requirements to participate in the Plan in accordance with the provisions of Article III hereof.

(r) Participation Agreement: The agreement between the Employer and a Participant described in Section 9.5 of this Plan, executed in the form attached hereto as Exhibit A, or in such other form as the Board of Directors, in its sole discretion, may establish from time to time.

(s) Plan: The Atmos Energy Corporation Supplemental Executive Retirement Plan, as set forth herein and as amended from time to time.

(t) Pension Plan: Any defined benefit pension plan adopted, established or maintained by the Employer, whichever is applicable, as amended from time to time. Any amount payable to or with respect to a Participant from any group annuity contract maintained in connection with the Pension Plan shall be deemed part of the benefit applicable to the Participant under the Pension Plan.

(u) Performance Awards: Except as otherwise provided in the Participant's Participation Agreement, any amount paid, or authorized to be paid, to a Participant while a Participant in the Plan pursuant to any annual performance bonus or incentive compensation plan adopted or established by the Employer, or, upon and after a Change in Control, any amount paid, or authorized to be paid, to a Participant as a performance related cash bonus in addition to his base cash compensation.

(v) Plan Administrator: The Board of Directors.

(w) Plan Year: Each twelve (12) month period beginning on January 1 and ending on December 31.

(x) Prior Plan: The Atmos Energy Corporation Performance-Based Supplemental Executive Benefits Plan, as in effect at any time prior to the Effective Date

and, where applicable, operated in accordance with the interim guidance issued under Code Section 409A.

(y) Retired Participant: A Participant under this Plan who receives benefits upon Retirement.

(z) Retirement or Retire: A Participant's voluntary termination from employment with the Employer that constitutes a Separation from Service after he is vested in his retirement benefits under the Pension Plan and has met the age and service requirements to be eligible to commence an early retirement benefit under the Pension Plan.

(aa) Separation from Service: A Participant's termination from employment with the Employer that constitutes a "separation from service" as defined in Section 1.409A-1(h) of the Final Treasury Regulations under Code Section 409A, or any successor provision thereto.

(bb) Supplemental Pension: A Participant's pension benefit provided under this Plan, which benefit is calculated in this Plan on a pre-tax basis.

(cc) The expressions listed below shall have the meanings stated in the subparagraphs hereof respectively indicated:

"Affiliate"	subparagraph 2.1(d)(ii)(B)
"Dependent Death Benefit"	subparagraph 7.2(a)(iii)
"Lump Sum Death Benefit"	subparagraph 7.2(a)(i)
"Monthly Death Benefit"	subparagraph 7.2(a)(ii)
"Original Payment Date"	subparagraph 5.4(c)
"Person"	subparagraph 2.1(d)(ii)(A)
"SEBP"	subparagraph 2.1(k)
"Specified Employee"	subparagraph 5.4(c)

Section 2.2. Construction: The masculine gender, whenever appearing in this Plan, shall be deemed to include the feminine gender; the singular may include the plural; and vice versa, unless the context clearly indicates to the contrary.

Section 2.3. Governing Law: This Plan shall be construed in accordance with and governed by the laws of the State of Texas, except to the extent otherwise preempted by ERISA or any other Federal law.

### ARTICLE III

#### Eligibility and Participation

Section 3.1. Employees Eligible to Participate: Each participant in the Prior Plan who terminated employment prior to August 7, 2007, shall remain a participant in the Prior Plan; each Participant who is an Eligible Employee on August 7, 2007 shall remain a Participant and shall continue to participate in this Plan; and any other Eligible Employee who becomes a Participant shall participate in this Plan, provided he complies with the provisions of Section 9.5 hereof. Any Participant who ceases being an Eligible Employee during his employment with the Employer shall immediately cease active participation in this Plan and shall no longer be a Participant, except as otherwise set forth herein.

### ARTICLE IV

#### Assets Used for Benefits

Section 4.1. Amounts Provided by the Employer: Benefits payable under this Plan shall constitute general obligations of the Employer in accordance with the terms of this Plan. The Employer may, in its sole discretion, establish a trust or other funding arrangement that is subject to the claims of the Employer's general unsecured creditors for the purpose of funding a Participant's accrued benefit payable under this Plan. Any such trust or other funding arrangement may also provide for the distribution to the Participant of an amount equal to any federal, state, local or other taxes that are incurred by the Participant in the event the establishment of such trust or other funding arrangement constitutes the constructive receipt by

the Participant of any benefits payable hereunder prior to the actual receipt of such benefits. The Employer shall make appropriate adjustments to the amount of the Participant's Supplemental Pension in order to reflect the effect upon such Supplemental Pension of the distribution described in the foregoing sentence. The Employer also may, but shall not be obligated to, purchase one or more life insurance policies or contracts to provide for the payment of the Death Benefits. Any such policies or contracts purchased hereunder shall remain a general asset of the Employer or of any trust established hereunder.

Section 4.2. Funding: Not later than the time each Participant who elected to receive his Supplemental Pension in the form of a monthly annuity provided for in Section 5.3(a)(i), (ii) or (iv) Retires or becomes eligible to receive an unreduced Supplemental Pension under this Plan, whichever occurs first, the Employer shall contribute to a trust or other funding arrangement an amount necessary to fund 100% of the then-present value of such Participant's accrued Supplemental Pension. The amount required to be funded by this Section 4.2 shall be calculated in accordance with Section 8.3 hereof. Each Participant who elected or is otherwise entitled to receive his Supplemental Pension in a lump sum payment shall not, except as provided below, have any amount contributed to a trust or other funding arrangement on his behalf pursuant to this Section 4.2. Notwithstanding the foregoing, immediately upon a Change in Control, the Employer shall contribute to a trust or other funding arrangement an amount necessary to fund 100% of the then-present value of all Supplemental Pension benefits (vested and unvested) payable hereunder to each Participant and Retired Participant, regardless of whether any such person is then eligible to Retire or to receive an unreduced Supplemental Pension and regardless of the form in which such Supplemental Pension is to be paid. The Employer shall review the funding status of each such trust or other funding arrangement

required to be established under this Section 4.2 on an annual basis and shall make such contributions thereto as may be required to maintain the value of the assets thereof at no less than 100% of the then-present value of all such Supplemental Pension benefits.

## ARTICLE V

### Supplemental Pension Benefits

#### Section 5.1. Eligibility for Supplemental Pension:

(a) Upon Retirement. Except as otherwise provided elsewhere in this Plan or in a Participation Agreement, a Participant who has been an Eligible Employee for at least two years and Retires shall be entitled to receive a Supplemental Pension.

(b) Upon Involuntary Termination Prior to a Change in Control. A Participant who suffers an Involuntary Termination prior to a Change in Control shall be entitled to receive a Supplemental Pension, subject to the provisions of Section 5.1(c) of this Plan, so long as he is vested in his retirement benefits under the Pension Plan at the time of his Involuntary Termination and has been an Eligible Employee for at least two years prior to the Involuntary Termination.

(c) Upon Voluntary Termination Prior to a Change in Control or Termination For Cause. A Participant who voluntarily resigns from employment with the Employer prior to being eligible for Retirement and prior to a Change in Control or who is terminated from employment with the Employer for Cause shall not be entitled to receive a Supplemental Pension.

(d) Upon Disability. A Participant who suffers a Disability shall be entitled to a Supplemental Pension as provided in Section 6.4.

Section 5.2. Amount of Supplemental Pension:

(a) Upon Retirement. Except as otherwise provided in the Participant's Participation Agreement, the Supplemental Pension payable to a Participant who Retires, and who has been an Eligible Employee for at least two years shall, unless reduced as provided in subparagraph (b) below, and based on the form of payment specified in Section 5.3(a)(i) or (ii), depending on the marital status of the Participant at Retirement, equal (i) minus (ii) as follows:

(i) One-twelfth (1/12<sup>th</sup>) of sixty percent (60%) of the Participant's Compensation, reduced if the Participant has fewer than ten full (10) years of Covered Employment by one-tenth (1/10<sup>th</sup>) for each full year of his Covered Employment less than ten (10) (no credit shall be given for any partial year of Covered Employment;

(ii) The monthly amount of pension payable to the Participant under the Pension Plan as of the date that his Supplemental Pension commences, assuming payment in the automatic form applicable to him under the Pension Plan.

(b) Reduction for Early Commencement of Supplemental Pensions. If a Participant's Supplemental Pension commences, without regard to Section 5.4(c) before the Participant attains age 62, the amount determined under subparagraph (a)(i) above shall, unless otherwise provided in a Participation Agreement, be reduced by 2% per year for the first two (2) years (or fractional years thereof, based on full months) that such date of commencement precedes age 62, and by 4% per year for the next five (5) years (or fractional years thereof, based on full months) that such date of commencement precedes age 60.

(c) Upon Involuntary Termination Prior to a Change in Control. The Supplemental Pension payable to a Participant who suffers an Involuntary Termination prior to a Change in Control shall be determined in accordance with subparagraph (a)



above, but, except as otherwise provided in the Participant's Participation Agreement, for purposes of subparagraph (a)(i), shall be based upon his Compensation and full years of Covered Employment calculated as of the date of his Involuntary Termination.

Section 5.3. Form of Payment of Supplemental Pension:

(a) Participants Prior to October 3, 2007. Each Participant who was an Eligible Employee on October 2, 2007, shall be paid or commence his Supplemental Pension in accordance with the following provisions:

(i) Married Participants. Except as otherwise provided in the Participant's Participation Agreement or in subparagraph (iii) or (iv) below, if the Participant is married when his Supplemental Pension commences or is scheduled to commence pursuant to Section 5.4(a), without regard to Section 5.4(c), it shall be paid in the form of a joint and 50% survivor annuity, with the Participant's spouse on the date payment commences or is scheduled to commence pursuant to Section 5.4(a) without regard to Section 5.4(c), as the joint annuitant. If a Participant's spouse dies between the date the Supplemental Pension is scheduled to commence and the date the Supplemental Pension actually commences, such Participant shall be treated as unmarried for purposes of this subparagraph (a)(i).

(ii) Unmarried Participants. Except as otherwise provided in the Participant's Participation Agreement or in subparagraph (iii) or (iv) below, if the Participant is not married when his Supplemental Pension commences or is scheduled to commence pursuant to Section 5.4(a), without regard to Section 5.4(c), it shall be paid in the form of a life annuity, payable monthly, but guaranteed for a period of 120 months, payable to the Participant or the Participant's named Beneficiary. If an unmarried Participant becomes married between the date the Supplemental Pension is scheduled to commence and the date the Supplemental Pension actually commences, such Participant shall be treated as married for purposes of this subparagraph (a)(ii).

(iii) 2007 Transition Election for Certain Participants. Notwithstanding any provisions of the Plan to the contrary, each Participant who has not incurred a Separation from Service and is still an Eligible Employee on October 3, 2007 shall be given an election to change his or her form of payment from the form set forth in subparagraph (i) or (ii) above, as the case may be, to a lump sum payment equal to the actuarial equivalent lump sum value of the Supplemental Pension

provided for in subparagraph (i) or (ii) above, or to one of the actuarial equivalent alternative annuity forms provided for in subparagraph (iv) below. The actuarial equivalent lump sum value and the actuarial equivalent alternative annuity forms of Supplemental Pension payments shall be determined in accordance with the actuarial assumptions set forth in Exhibit B hereto. Any election pursuant to this subparagraph (iii) shall not permit benefits scheduled to be paid in 2007 to be deferred beyond 2007 and shall not permit benefits scheduled to be paid after 2007 to be accelerated and paid in 2007. Any election pursuant to this subparagraph (iii) may be changed at any time on and after January 1, 2008 and prior to December 31, 2008, so long as any such election does not permit benefits scheduled to be paid in 2008 to be deferred beyond 2008 and does not permit benefits scheduled to be paid after 2008 to be accelerated and paid in 2008. Elections pursuant to this subparagraph (iii) shall be made in accordance with the transition relief regarding changing the time and form of payment on or before December 31, 2008, provided for in the interim guidance issued under Code Section 409A.

(iv) Change in Annuity Form of Supplemental Pension. Any Participant who has elected, pursuant to subparagraph (iii) above, to receive his Supplemental Pension in an annuity form as provided for in subparagraph (i) or (ii) above or this subparagraph (iv) may elect, by submitting a completed election form to the Plan Administrator, or a committee which may be established pursuant to Section 8.1, at least 30 days prior to the date payments under the elected annuity form are to commence or are scheduled to commence pursuant to Section 5.4(a) without regard to Section 5.4(c), to convert the elected annuity form into any of the following actuarially equivalent annuity forms which are otherwise permissible or the annuity form provided for in subparagraph (i) or (ii) above, as applicable:

(A) Life Annuity, with a monthly amount payable for the life of the Participant;

(B) Joint and Survivor Annuity, with a monthly amount payable for the life of the Participant, and an amount payable upon the Participant's death to the Participant's surviving spouse which is equal to 100%, 75% or 66.67% of the monthly amount which was payable to the Participant;

(C) Life Annuity with Guaranteed Payment Period, with a monthly amount payable for the life of the Participant, and if the Participant dies before either 60 or 120 (as selected by the Participant) monthly payments are made, the remaining monthly payments for the selected period will be paid to the Participant's surviving spouse or other designated Beneficiary.

If no election pursuant to this subparagraph (iv) is on file when benefits commence or are scheduled to commence pursuant to Section 5.4(a), without regard to Section 5.4(c) below for a Participant for whom this subparagraph (iv) applies, benefits will be paid in the form applicable under subparagraph (i) or (ii) above, as the case may be. The actuarial equivalents provided for in this subparagraph (a) will be determined on the basis of the actuarial assumptions used for determining actuarial equivalent optional forms of annuities as set forth in Exhibit B hereto.

(b) Participants on and after October 3, 2007. Each Participant who becomes a Participant on or after October 3, 2007, shall be paid his Supplemental Pension in a lump sum payment equal to the actuarial equivalent lump sum value of the Supplemental Pension provided for in subparagraph (a)(i) or (ii) above, based on his marital status when his Supplemental Pension commences or is scheduled to commence pursuant to Section 5.4(a)(ii) without regard to Section 5.4(c). The actuarial equivalents provided for in this subparagraph (b) will be determined on the basis of the actuarial assumptions used for determining actuarial equivalent lump sums as set forth in Exhibit B hereto.

Section 5.4. Commencement of Supplemental Pension:

(a) Upon Retirement.

(i) Except as otherwise provided in subparagraph (c) below, the Supplemental Pension of a Participant, other than a Participant to whom Section 5.3(b) applies, who Retires prior to January 1, 2009, shall be paid or commence at the time he begins receiving retirement benefits from the Pension Plan. However, (A) if a Participant who made the election in 2007 to receive a lump sum payment in accordance with Section 5.3(a)(iii) above becomes entitled to receive a lump sum payment in 2007, such lump sum cannot be paid prior to January 1, 2008, and except as otherwise provided in subparagraph (c) below, such Participant shall receive the monthly Supplemental Pension annuity payments otherwise provided for in Section 5.3(a)(i) or (ii), as the case may be, until January 1, 2008, at which time a lump sum payment of the actuarial equivalent lump sum value of the remaining monthly annuity payments shall be paid to such Participant on or prior to January 15, 2008, and (B) if a Participant who changed his 2007 election in 2008 (1) to receive a lump sum payment in accordance with Section 5.3(c) hereof in lieu of the monthly Supplemental Pension annuity payments provided for in Section

5.3(a)(i), (ii) or (iv), as the case may be, which such Participant elected in 2007, and such Participant becomes entitled to receive a lump sum payment in 2008, such lump sum cannot be paid prior to January 1, 2009, and except as otherwise provided in subparagraph (c) below, such Participant shall receive the monthly Supplemental Pension annuity payments otherwise elected in 2007 until January 1, 2009, at which time a lump sum payment of the actuarial equivalent lump sum value of the remaining monthly annuity payments shall be paid to such Participant on or prior to January 15, 2009, or (2) to receive monthly annuity payments in lieu of a lump sum payment which such Participant elected in 2007, and such Participant becomes entitled to receive benefits under this Plan in 2008, such 2008 election shall not be valid, and such Participant shall receive the lump sum payment elected in 2007.

(ii) Except as otherwise provided in subparagraph (c) below, (A) the Supplemental Pension of a Participant, other than a Participant to whom Section 5.3(b) applies, who Retires on or after January 1, 2009, and (B) the Supplemental Pension of a Participant to whom Section 5.3(b) applies who Retires at any time shall be paid or commence on the first day of the month following the month in which such Participant Retires.

(b) Upon Involuntary Termination Prior to a Change in Control. The Supplemental Pension of a Participant who suffers an Involuntary Termination prior to a Change in Control shall, except as otherwise provided in subparagraph (c) below, be paid or commence at the later of (i) the first day of the month following the month in which such Participant incurs a Separation from Service with the Employer, or (ii) the first day of the month following the month in which such Participant attains age 55.

(c) Six Months Delay in Payment. Notwithstanding the foregoing provisions of this Section 5.4, Section 5.5(c) and Section 9.1(c), from and after January 1, 2009, if a Participant who is entitled to payments under said applicable Section is a "specified employee," as defined in § 1.409A-1(i) of the Final Regulations under Code Section 409A, and the Supplemental Pension would otherwise be paid or commence (the "Original Payment Date") before a date which is at least six (6) months following the date of the Participant's Separation from Service, the Supplemental Pension shall be paid

or commence on the date which is six (6) months following the date of the Participant's Separation from Service (or, if earlier, the date of death of the Participant), provided the six (6) months delay requirements of Code Section 409A otherwise apply to the payments under said applicable Section. All monthly annuity payments which are delayed for six (6) months shall be paid in a lump sum on the date specified in this subparagraph (c) for commencement of such payments. All lump sum or monthly annuity payments which are delayed as provided in this subparagraph (c) shall accrue interest for the period from the Original Payment Date (or, in the case of the monthly annuity payments the first day of the month in which such payment was to be made) until the date such payment is actually made. Said interest shall be equal to the applicable segment rates as defined in Code Section 417(e)(3)(D), without regard to the phase-in percentages specified in Code Section 417(e)(3)(D)(iii), for the November preceding the first day of the calendar year in which the participant retires or otherwise becomes entitled to payments without regard to this Section 5.4(c).

Section 5.5. Supplemental Pensions After a Change in Control:

(a) Eligibility For Supplemental Pension. Notwithstanding anything to the contrary in this Plan, a Participant shall be entitled to a Supplemental Pension, regardless of whether he has been an Eligible Employee for at least two years or is vested in his retirement benefits under the Pension Plan, if following a Change in Control of the Employer which occurs at a time when he is an Eligible Employee, either (i) or (ii) occurs:

- (i) The Participant incurs a Separation from Service
  - (A) on account of LTD Disability; or

(B) involuntarily by the Employer for any reason other than for Cause.

(ii) The Participant's participation in the Plan is terminated by the Employer for any reason other than for Cause prior to his Separation from Service with the Employer.

In order for the provisions of this Section 5.5 to apply, the involuntary Separation from Service referred to in subparagraph (i)(A) above or the termination of participation referred to in subparagraph (ii) above must occur within three (3) years after the Change in Control.

If a Participant incurs a Separation from Service involuntarily by the Employer for any reason other than for Cause, or his participation in the Plan is terminated by the Employer for any reason other than for Cause, prior to a Change in Control (whether or not a Change in Control ever occurs) and such Separation either (A) was at the request or direction of a person who has entered into an agreement with the Employer, the consummation of which would constitute a Change in Control, or (B) was otherwise in connection with or in anticipation of a Change in Control (whether or not a Change in Control ever occurs), then such Participant's Separation from Service or termination of participation shall be deemed to have followed a Change in Control of the Employer, and such Participant shall be one who is described in this subparagraph (a).

(b) Amount of Supplemental Pension. The Supplemental Pension payable to a Participant described in subparagraph (a) above shall be calculated in the same manner as set forth in Section 9.1(c) for benefits payable in the event of a termination of the Plan, but based on his Compensation as of the date of his Separation from Service or the date his participation in the Plan is terminated, whichever is applicable.

(c) Commencement of Supplemental Pension. Except as otherwise provided in Section 5.4(c), the Supplemental Pension payable to a Participant described in subparagraph (a) above shall be paid or commence on the later of (i) the first day of the month following the month in which he incurs a Separation from Service, or (ii) the first day of the month following the month in which such Participant attains age 55.

## ARTICLE VI

### Disability Benefits

Section 6.1. Eligibility For Disability Benefit: A Participant who is an Eligible Employee and otherwise is actively participating in the Plan shall be entitled to a Disability Benefit if he suffers a Disability and an LTD Disability prior to his Retirement.

Section 6.2. Amount of Disability Benefit: The Disability Benefit payable to an eligible Participant shall equal (a) minus (b) as follows:

(a) One-twelfth (1/12th) of sixty percent (60%) of the Participant's Compensation calculated as of the date of his Disability.

(b) The total monthly amount of disability benefit payable to the Participant under the Group Long-Term Disability Plan (before any offsets) as of the date that his employment terminates due to Disability.

Section 6.3. Payment of Disability Benefit: A Participant's Disability Benefit shall be paid commencing on the 181<sup>st</sup> day following the later of the date of his Disability or the date of his LTD Disability, and shall continue for so long as benefits are paid due to an LTD Disability.

Section 6.4. Payment of Supplemental Pension to Disabled Participants:

(a) Upon Reaching Age 65. If a Participant who has suffered an LTD Disability reaches age 65 while still receiving a Disability Benefit, such Participant shall be entitled to a Supplemental Pension, to be paid or to commence on the first day of the month following the month in which such Participant attains age 65, regardless of

whether the Participant has been an Eligible Employee for at least two years. The Supplemental Pension payable to such Participant shall be in the form provided in Section 5.3 and determined in accordance with Section 5.2(a). Upon commencement of a Participant's Supplemental Pension under this Section 6.4(a), such Participant's Disability Benefit under Section 6.3 hereof shall cease.

(b) Prior to Reaching Age 65. Notwithstanding the provisions of subparagraph (a) above, a Participant receiving a Disability Benefit shall receive a Supplemental Pension to be paid or to commence on the first day of the month following the month in which occurs the later of (i) such Participant's 62<sup>nd</sup> birthday, or (ii) such Participant's entitlement to an unreduced Supplemental Pension under Section 5.2(a)(i), if such month occurs prior to such Participant's 65<sup>th</sup> birthday. If a Participant becomes entitled to a Supplemental Pension pursuant to this subparagraph (b), the Participant's Disability Benefits shall cease, and such Supplemental Pension shall be in the form provided for in Section 5.3, determined in accordance with Sections 5.2(a) and (b) and shall be based on the Participant's Compensation as of the date that such individual suffered a Disability.

## ARTICLE VII

### Death Benefits

Section 7.1. Eligibility For Death Benefit: A Participant's Beneficiary shall be entitled to a Death Benefit if the Participant meets the requirements of either (a), (b) or (c) as follows:

- (a) He dies before his employment with the Employer terminates or while receiving a Disability Benefit under this Plan.
- (b) He Retires but dies before the commencement of his Supplemental Pension.



(c) He is entitled to a Supplemental Pension pursuant to the provisions of Section 5.1(b) or Section 5.5(a) of this Plan, but dies before the commencement of his Supplemental Pension.

Section 7.2. Amount of Death Benefit:

(a) In-Service Death. In the case of a Participant who dies as provided in Section 7.1(a), the Death Benefit will be the total of the following (i), (ii) and (iii):

(i) A lump sum payment equal to two times the Participant's Compensation minus any amount payable under the Employer's Group Basic Life Insurance Plan (the "Lump Sum Death Benefit").

(ii) A monthly benefit equal to one-twelfth of an amount equal to fifty percent of the Participant's Compensation at the time of his death (the "Monthly Death Benefit").

(iii) If the Participant leaves a child or children to whom payments are to be made under Section 7.3 hereof, a monthly benefit equal to one-twelfth of an amount equal to twenty-five percent (25%) of the Participant's Compensation at the time of his death (the "Dependent Death Benefit").

(b) Post-Retirement Death. In the case of a Participant who dies as provided in Section 7.1(b), a Death Benefit will be paid as follows:

(i) If such Participant was entitled to receive his Supplemental Pension in a form provided for in Section 5.3(a)(i), (ii) or (iv), a Death Benefit will be paid to the Beneficiary who is so entitled at the time of his death. If such Participant Retires either (A) prior to January 1, 2009, or (B) on or after January 1, 2009 and the six months delay provision of Section 5.4(c) does not apply, such Death Benefit shall be paid in the amount that would have been applicable had the Participant's Supplemental Pension commenced in the month of his death. If such Participant Retires on or after January 1, 2009 and the six months delay provision of Section 5.4(c) applies, such Death Benefit shall consist of the following: (C) a lump sum payment will be paid to the Beneficiary entitled to receive the Death Benefit pursuant to Section 7.3(a) below in an amount equal to the sum of the monthly annuity payments which would have been payable to the Participant for the months between the month in which his Supplemental Pension would have commenced without regard to Section 5.4(c) and the month in which he died, plus interest through the date of his death as provided for in Section 5.4(c), and (D) the monthly survivor benefit will be paid to the Beneficiary who would have been so entitled on the basis of the form of payment that would have applied to

him pursuant to Section 5.3(a)(i), (ii) or (iv) had the Participant's Supplemental Pension commenced in the month of his death.

(ii) If such Participant was entitled to receive his Supplemental Pension in the form of a lump sum payment pursuant to Section 5.3(a)(iii) or Section 5.3(b), a Death Benefit will be paid to the Beneficiary entitled to receive the Death Benefit pursuant to Section 7.3(a) below. The amount of such Death Benefit shall be equal to the lump sum amount such Participant would have been entitled to receive had the Participant's Supplemental Pension been paid in the month of his death, plus interest, if applicable, through the date of his death pursuant to Section 5.4(c) as if the date of his death were the end of the six months delay period.

(c) Deferred Retirement Death. In the case of a Participant who dies as provided in Section 7.1(c), a Death Benefit will be paid as provided in (i) or (ii) as follows:

(i) In the case of a Participant who dies prior to reaching age 55, a Death Benefit will be paid to the Beneficiary who would have been so entitled at the time of his death and in the amount determined as follows:

(A) If such Participant was entitled to receive his Supplemental Pension in the form provided for in Section 5.3(a)(i), (ii) or (iv), such Death Benefit shall be paid in the form applicable under section 5.3(a)(i) or (ii), based on his marital status at the time of his death, to the Beneficiary who would have been so entitled at the time of his death on the basis of that form, and in the amount that would have been applicable had the Participant lived to age 55, commenced his Supplemental Pension in the month immediately following the month in which he reached age 55 and died immediately after his Supplemental Pension commenced, as reduced actuarially, on the basis of the Beneficiary's age, to reflect commencement of such Death Benefit pursuant to Section 7.4(b) prior to such Participant reaching age 55.

(B) If such Participant was entitled to receive his Supplemental Pension in the form of a lump sum payment, such Death Benefit shall be paid as provided in Section 7.3(a) in a lump sum amount equal to the actuarial equivalent lump sum value of the survivor benefit that would have been paid under the form applicable under Section 5.3(a)(i) or (ii) had the Participant lived to age 55, commenced his Supplemental Pension in the month immediately following the month in which he reached age 55 and died immediately after his Supplemental Pension commenced, as

reduced actuarially, on the basis of the Beneficiary's age, to reflect commencement of such Death Benefit pursuant to Section 7.4(b) prior to such Participant reaching age 55.

(ii) In the case of a Participant who dies after reaching age 55, a Death Benefit will be paid to the Beneficiary in the amount provided for in Section 7.2(b) above.

(iii) For purposes of this Section 7.2(c), the actuarial equivalent lump sum value and the actuarial equivalent alternative annuity forms of Supplemental Pension payments shall be determined in accordance with the actuarial assumptions set forth in Exhibit C hereto.

Section 7.3. Form of Payment of Death Benefits:

(a) Lump Sum and Monthly Death Benefits. The Lump Sum Death Benefit, the Monthly Death Benefit, the Death Benefit provided for in Section 7.2(b)(i)(C), the Death Benefit provided for in Section 7.2(b)(ii) and the Death Benefit provided for in Section 7.2(c)(i)(B) are payable to the Participant's designated Beneficiary. In the event that no Beneficiary has been effectively designated as provided with respect to the Death Benefits described in the preceding sentence or the guaranteed monthly payments for the selected period under the annuity form described in Sections 5.3(a)(ii) and 5.3(a)(iv)(C), the Participant's surviving spouse shall be deemed the designated Beneficiary, or if the Participant has no surviving spouse, his children, if any, per stirpes, and if none, the estate of the Participant shall be deemed the designated Beneficiary. If a Beneficiary entitled to receive a Death Benefit that is a survivor annuity payment hereunder (other than the guaranteed monthly payments for the selected period under the annuity form described in Sections 5.3(a)(ii) and 5.3(a)(iv)(C)) dies before commencement of payment of that Death Benefit, then that Death Benefit shall not be payable from the Plan. The Monthly Death Benefit shall be a single life annuity, if the Participant's surviving spouse

is the designated Beneficiary, and shall be a 120-month term certain annuity, if someone other than the surviving spouse is the Participant's designated Beneficiary.

(b) Dependent Death Benefit. The Dependent Death Benefit is payable to the Participant's dependent children in equal shares until there cease to be any dependent children remaining. As each child loses his or her dependent status, the child's share of the Dependent Death Benefit shall be paid to the remaining dependent child or children in equal shares. A child of the Participant is deemed to be a dependent until the child reaches age eighteen or, if a full-time student (i.e. enrolled in twelve hours or more of courses of higher education), age 25, or until the child's death if earlier. At the discretion of the Plan Administrator, any dependent child's share of the Dependent Death Benefit may be paid to the Participant's surviving spouse or other guardian of such child if applicable and shall constitute full settlement of the Plan's obligation to such child with respect to such payment. If the Participant's surviving spouse is the designated Beneficiary for the Monthly Death Benefit and dies while receiving the Monthly Death Benefit and while any dependent child or children of the Participant remain, then the Monthly Death Benefit being paid to the surviving spouse shall be added to the Dependent Death Benefit and shall be payable in equal shares to the dependent children in the same manner and for the same time period as the Dependent Death Benefit.

Section 7.4. Commencement of Death Benefits:

(a) The Death Benefits payable pursuant to Section 7.2(a) shall be paid, with respect to the Lump Sum Death Benefit, or shall commence, with respect to the Monthly Death Benefit and the Dependent Death Benefit, as of the first day of the month next following the Participant's death.

(b) The Death Benefits payable pursuant to Sections 7.2(b) and (c) shall commence as of the first day of the month next following the Participant's death.

## ARTICLE VIII

### Administration

Section 8.1. Plan Administration: The Plan shall be administered by the Board of Directors. The Board of Directors may, in its sole discretion, establish a committee to carry out the day-to-day administration of the Plan and may delegate any portion of its authority and responsibilities as Plan Administrator to such committee.

Section 8.2. Powers of Plan Administrator: The Plan Administrator shall have the discretionary power and authority to interpret and administer the Plan according to its terms, including the power to construe and interpret the Plan, to supply any omissions therein, to reconcile and correct any errors or inconsistencies, to decide any questions in the administration and application of the Plan, and to make equitable adjustments for any mistakes or errors in the administration and application of the Plan. The Plan Administrator shall have such additional powers as may be necessary to discharge its duties and responsibilities hereunder.

Section 8.3. Calculation of Funding Obligations: The Employer shall calculate its funding obligations hereunder solely by using the actuarial assumptions and methodology set forth in Exhibit C hereto. In its discretion, at any time prior to a Change in Control of the Employer, the Employer may amend Exhibit C to change such actuarial assumptions and methodology, provided that such changes are communicated promptly in writing to all Participants, Retired Participants, and Beneficiaries. Upon and after a Change in Control of the Employer, the actuarial assumptions and methodology set forth in Exhibit C may be changed with respect to any Participant, Retired Participant, or Beneficiary who was a Participant, Retired

Participant, or Beneficiary at the time of such Change in Control, only with the written consent of such affected Participant, Retired Participant, or Beneficiary.

Section 8.4. Annual Statements: As soon as practicable after the end of each Plan Year, the Employer shall deliver to each Participant, Retired Participant, and Beneficiary a statement containing (a) the present value of the Employer's future benefit obligations to the Participant, Retired Participant, or Beneficiary; (b) the actuarial assumptions used to calculate the present value of the Employer's future benefit obligations hereunder; and (c) the aggregate current value of the assets, if any, held in a trust or other funding arrangement which are sufficient to fund 100% of the then-present value of the accrued Supplemental Pension for any Participant, Retired Participant, or Beneficiary for whom benefits are paid in the form of an annuity and for whom assets are required to be held in trust.

## ARTICLE IX

### Miscellaneous Provisions

Section 9.1. Amendment or Termination of the Plan:

(a) In General. Subject to the remaining provisions of this Section 9.1, the Board of Directors may by resolution, in its absolute discretion, from time to time, amend, suspend, or terminate any or all of the provisions of the Plan; provided, however, that no amendment, suspension, or termination may apply so as to decrease the payment to any Participant or Beneficiary of any benefit under the Plan that he accrued prior to the effective date of such amendment, suspension, or termination, nor shall such amendment, suspension, or termination change the time and form of payment to be made under the provisions of the Plan as in effect before such amendment, suspension, or termination,

except as otherwise permitted or required under Code Section 409A and the Treasury regulations issued thereunder.

(b) Amendment That Decreases Benefits. If the Board of Directors amends the Plan and such amendment results in a decrease in the Supplemental Pension, Death Benefits or Disability Benefit that otherwise would be paid under this Plan but for the amendment, except as provided in subparagraphs (iii) and (iv) below, the Participant's Supplemental Pension, Death Benefits or Disability Benefit shall equal the sum of (i) and (ii) as follows:

(i) The amount derived by multiplying the Participant's benefit calculated pursuant to the terms of the Plan in effect immediately prior to the amendment and based upon the Participant's Compensation used to calculate the appropriate benefit by the following fraction: The numerator is the number of full years of Covered Employment the Participant has prior to the effective date of the amendment, and the denominator is the total number of full years of Covered Employment the Participant has; however, neither the numerator nor the denominator shall exceed 10.

(ii) The amount derived by multiplying the Participant's benefit as calculated pursuant to the terms of the Plan as amended based upon the Participant's Compensation used to calculate the appropriate benefit by the following fraction: The numerator is the number of full years that the Participant participated in the Pension Plan after the effective date of the amendment (but this number when added to the numerator of the fraction in subparagraph (i) above, shall not exceed 10) and the denominator is the total number of full years of Covered Employment the Participant has (but this number shall not exceed 10).

(iii) Notwithstanding the foregoing provisions of this subparagraph (b), if the Plan is so amended before a Participant is vested in his retirement benefits under the Pension Plan, the Participant's Supplemental Pension, Death Benefit or Disability Benefit shall be calculated solely in accordance with the terms of the Plan as amended.

(iv) Notwithstanding the foregoing provisions of this subparagraph (b), if any such amendment occurs upon or after a Change in Control, the Participant's Supplemental Pension shall at least equal the benefits which would be paid under subparagraph (c) below if there was a termination of the Plan at the time of such amendment.

Notwithstanding the foregoing provisions of this subparagraph (b), the Amendment and Restatement of the Plan effective August 7, 2007 shall not for any purposes be treated as resulting in a decrease in the Supplemental Pension, Death Benefit or Disability Benefit otherwise payable under this Plan.

(c) Termination of the Plan.

(i) If the Board of Directors terminates all or any portion of the Plan and such termination adversely affects a Participant's Supplemental Pension, such Participant shall be entitled to receive a Supplemental Pension whether or not such Participant has been an Eligible Employee for at least two years or is vested in his retirement benefits under the Pension Plan at the time of such Plan termination.

(A) It shall be based upon the Participant's Compensation as of the date of the termination of the Plan;

(B) If payment of the Supplemental Pension begins before the Participant has ten full years of Covered Employment, the reduction referred to in Section 5.2(a)(i) shall not apply;

(C) If payment of the Supplemental Pension begins before the Participant attains age 62, the reductions referred to in Section 5.2(b) shall not apply; and

(D) If the Participant is not otherwise vested under the Pension Plan, the calculation made under Section 5.2(a)(ii) above shall be made as if he were so vested.

Except as otherwise provided in Section 5.4(c), the Supplemental Pension determined under this subparagraph (c) shall be paid or commence on the later of (i) the first day of the month following the month in which such Participant incurs a Separation from Service, or (ii) the first day of the month following the month in which such Participant attains age 55.

(ii) If the Board of Directors terminates all or any portion of the Plan and such termination adversely affects the Disability Benefits or Death Benefits described in the Plan, a Participant shall continue to be entitled to the Disability Benefits or Death Benefits described in the Plan if he thereafter dies or suffers a Disability. Any such Death Benefit or Disability Benefit, however, shall be calculated as of the date of termination of such benefit or the Plan as if such date of termination was the date the Participant died or suffered a Disability. Payment of any such Death Benefit or Disability Benefit shall be made in accordance with the



terms of the Plan as in effect immediately prior to the date of termination of such benefit or the Plan.

(d) Amendments to Comply with Internal Revenue Code Section 409A.

Notwithstanding any of the foregoing provisions of this Section 9.1 or any of the terms and conditions of the Participation Agreement to the contrary, the Board of Directors reserves the right, in its sole discretion, to amend the Plan and/or any Participation Agreement in any manner it deems necessary or desirable in order to comply with or otherwise address issues resulting from Code Section 409A.

Section 9.2. Nonguarantee of Employment: Nothing contained in this Plan shall be construed as a contract of employment between the Employer and any employee, as a right of any employee to be continued in the employment of the Employer, or as a limitation of the right of the Employer to discharge any of its employees, with or without Cause.

Section 9.3. Nonalienation of Benefits: To the extent permitted by law, benefits payable under this Plan shall not, without the Plan Administrator's consent, be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution, or levy of any kind, either voluntary or involuntary. Any unauthorized attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge, or otherwise dispose of any right to benefits payable hereunder shall be void. No part of the assets of the Employer shall be subject to seizure by legal process resulting from any attempt by creditors of or claimants against any Participant or Beneficiary or any person claiming under or through the foregoing to attach his interest under the Plan.

Section 9.4. Liability: No director, officer, or employee of the Employer shall be liable for any act or action, whether of commission or omission, taken by any other director, officer, employee, or agent of the Employer under the terms of the Plan or, except in circumstances

involving his bad faith, for anything done or omitted to be done by him under the terms of the Plan.

Section 9.5. Participation Agreement: Each Participant shall enter into a Participation Agreement as a condition to his participation in the Plan. Such Participation Agreement shall constitute a separate and enforceable agreement between the Employer and the Participant regarding the Participant's rights in the Plan.

Section 9.6. Successors to the Employer: Any successor to the Employer hereunder, which successor continues or acquires any of the business of the Employer, shall be bound by the terms of this Plan in the same manner and to the same extent as the Employer.

Section 9.7. Tax Withholding: The Employer shall have the right to deduct from all amounts paid in cash or other form under this Agreement any Federal, state, local or other taxes required by law to be withheld.

IN WITNESS WHEREOF, and as conclusive evidence of its adoption of this Supplemental Executive Retirement Plan, as an amendment and restatement of the Performance-Based Supplemental Executive Benefits Plan, the Employer has caused this Plan to be duly executed on this 10<sup>th</sup> day of September, 2008, to be effective as of the date set forth in Section 1.2 above.

ATMOS ENERGY CORPORATION

By: /s/ ROBERT W. BEST  
Robert W. Best  
Chairman, President and  
Chief Executive Officer

**EXHIBIT A**

**PARTICIPATION AGREEMENT**

THIS PARTICIPATION AGREEMENT is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between ATMOS ENERGY CORPORATION, a Texas and Virginia corporation (the "Employer"), and \_\_\_\_\_ ("Participant").

**WITNESSETH:**

WHEREAS, the Employer has adopted the Atmos Energy Corporation Performance-based Supplemental Executive Benefits Plan (the "Plan"), pursuant to which certain executive or management employees of the Employer may receive supplemental pension, disability, and death benefits; and

**[The following three recitals should be used for participants in the SERP as of October 3, 2007:**

**WHEREAS, Participant commenced participation in the Plan prior to October 3, 2007; and**

**WHEREAS, effective as of August 7, 2007 (the "Effective Date"), the Employer amended and restated the Plan, which was renamed the Atmos Energy Corporation Supplemental Benefits Plan; and**

**WHEREAS, the parties desire to enter into a new participation agreement in order for Participant to continue participation in the amended and restated Plan; and]**

WHEREAS, in accordance with Section 9.5 of the Plan, the Employer and Participant have agreed to execute and enter into this Agreement.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Agreement. The Employer hereby agrees to provide to Participant the benefits described in the Plan pursuant to the terms and conditions set forth in the Plan, a copy of which has been provided to Participant and is incorporated by reference into this Agreement. The capitalized terms used in the Plan shall have the same meanings in this Agreement as assigned to them in the Plan. Participant acknowledges he or she has received a copy of the Plan.

2. Calculation of Supplemental Pension. For purposes of calculating the Participant's Supplemental Pension under Section 5.2(a) of the Plan and other applicable provisions of the Plan, Covered Employment for the Participant commenced \_\_\_\_\_.

3. Delay in Payment of Supplemental Pension For Certain Participants. If a Participant who is a "specified employee," as defined in § 1.409A-1(i) of the Final Regulations

under Code Section 409A, and whose Supplemental Pension would otherwise be paid or commence (the "Original Payment Date") before a date which is at least six (6) months following the date of Participant's termination of employment that constitutes a "separation from service," as defined in Code Section 409A and the Final Regulations issued thereunder ("Separation from Service"), the Supplemental Pension shall be paid or commence for such Participant on the date which is six (6) months following the date of Participant's Separation from Service (or, if earlier, the date of death of Participant), provided such six (6) month delay is required by Code Section 409A. All monthly annuity payments which are delayed for six months shall be paid in a lump sum on the date specified in this paragraph 3 for commencement of such payments. All lump sum or monthly annuity payments which are delayed as provided in this paragraph 3 shall accrue interest for the period from the Original Payment Date (or, in the case of the monthly annuity payments the first day of the month in which such payment was to be made) until the date such payment is actually made. Said interest shall be equal to the applicable segment rates as defined in Code Section 417(e)(3)(D), without regard to the phase-in percentages specified in Code Section 417(e)(3)(D)(iii), for the November preceding the first day of the calendar year in which Participant retires or otherwise becomes entitled to payments without regard to this paragraph 3.

4. Amendment or Termination of the Plan; Separation from Service or Termination of Participation Without Cause. The Employer hereby agrees that, if

(i) the Employer amends or terminates the Plan in such a manner that results in a decrease in the amount of the benefits to be paid under the Plan to Participant,

(ii) Participant incurs a Separation from Service by reason of Participant's employment being terminated involuntarily by the Employer for any reason other than for Cause (as defined in subparagraph 4(e) below), or on account of LTD Disability, or

(iii) Participant's participation in the Plan is terminated by the Employer for any reason other than for Cause prior to Participant's Separation from Service with the Employer,

Participant shall have the right to, and the Employer agrees to pay to Participant, any benefits accrued prior to the effective date of such amendment or termination of the Plan or of such Participant's Separation from Service with the Employer or termination of participation in the Plan. Such benefits shall become payable, however, only upon such an event, in accordance with the terms of the Plan or any portion thereof as in effect immediately prior to the effective date of such amendment or termination of the Plan or such Participant's Separation from Service with the Employer or termination of participation in the Plan, except as otherwise permitted or required under Code Section 409A and the Treasury regulations issued thereunder. The amount of benefits that shall be paid under this paragraph 4 shall be calculated as follows: .

(a) In the event the Employer amends the Plan and such amendment results in a decrease in the amount of the Supplemental Pension, Disability Benefit, or Death

Benefits that would be paid under the Plan but for the amendment thereof, the amount of Participant's benefit shall be the sum of:

(i) The amount derived by multiplying Participant's benefit calculated pursuant to the terms of the Plan in effect immediately prior to the amendment and based upon Participant's Compensation used to calculate the appropriate benefit by the following fraction: The numerator is the number of full years of Covered Employment Participant has prior to the effective date of the amendment, and the denominator is the total number of full years of Covered Employment Participant has; however, neither the numerator nor the denominator shall exceed 10; plus

(ii) The amount derived by multiplying Participant's benefit as calculated pursuant to the terms of the Plan as amended based upon Participant's Compensation used to calculate the appropriate benefit by the following fraction: The numerator is the number of years that Participant participated in the Pension Plan after the effective date of the amendment (but this number when added to the numerator of the fraction in subparagraph (i) above, shall not exceed 10) and the denominator is the total number of full years of Covered Employment Participant has (but this number shall not exceed 10);

provided, however, that if the Plan is so amended prior to Participant being vested in his retirement benefits under the Pension Plan, Participant's Supplemental Pension, Death Benefit or Disability Benefit payable hereunder shall be calculated solely in accordance with the terms of the Plan as amended; and provided, further, that, if such amendment occurs upon or after a "Change in Control" (as defined in subparagraph 5(b) below), Participant's Supplemental Pension must at least equal the benefits which would be paid under Section 9.1(c) of the Plan if there was a termination of the Plan at the time of such amendment.

(b) In the event the Employer terminates the Plan or any portion thereof after August 7, 2007, and such termination adversely affects the Disability Benefit or Death Benefits described in the Plan, Participant's Disability Benefit and Death Benefits shall be calculated as of the date of termination of such benefit or the Plan as though the date of such termination was the date that Participant became disabled or died. Such Disability Benefit and Death Benefits shall become payable, however, only upon Participant's disability or death occurring in accordance with the terms of the Plan or any portion thereof as in effect immediately prior to the date of its termination, except as otherwise permitted or required under Code Section 409A and the Treasury regulations issued thereunder.

(c) In the event the Employer terminates the Plan or any portion thereof and such termination adversely affects Participant's Supplemental Pension described in the Plan, Participant's Supplemental Pension shall be the amount determined in accordance with Section 5.2 of the Plan except that

(i) It shall be based upon Participant's Compensation as of the date of the termination of the Plan;

(ii) If payment of the Supplemental Pension begins before Participant has ten full years of Covered Employment, the reduction referred to in Section 5.2(a)(i) of the Plan shall not apply;

(iii) If payment of the Supplemental Pension begins before Participant attains age 62, the reductions referred to in Section 5.2(b) of the Plan shall not apply; and

(iv) If Participant is not otherwise vested under the Pension Plan, the calculation made under Section 5.2(a)(ii) of the Plan shall be made as if he were so vested.

(d) If, at any time prior to a "Change in Control" (as defined in subparagraph 5(b) below), Participant incurs a Separation from Service by reason of Participant's employment being terminated involuntarily by the Employer for any reason other than for Cause (as defined in subparagraph 4(e) below), or on account of LTD Disability, or if Participant's participation in the Plan is terminated by the Employer for any reason other than for Cause, Participant shall nevertheless be entitled to the benefits under the Plan that have accrued prior to Participant's Separation from Service or the termination of Plan participation, the amount of such benefits to be calculated in the manner set forth in Section 5.2(c) of the Plan and payable at such time and form as otherwise provided for under the Plan; provided, however, that Participant's right to a Supplemental Pension shall vest only if Participant has been an Eligible Employee for at least two years and is vested in his retirement benefits under the Pension Plan as of the date of such termination.

(e) As used in this Agreement, "Cause" for Separation from Service shall mean termination upon

(i) the willful and continued failure by Participant to substantially perform his duties with the Employer (other than any such failure resulting from Participant's incapacity due to physical or mental illness) after a written demand for substantial performance is delivered to Participant by the Employer that specifically identifies the manner in which the Employer believes that Participant has not substantially performed his duties, or

(ii) Participant's willful engagement in conduct that is demonstrably and materially injurious to the Employer, monetarily or otherwise.

For purposes of this subparagraph, no act, or failure to act, on Participant's part shall be deemed "willful" if done, or omitted to be done, by Participant in good faith and with a reasonable belief that the action or omission was in the best interests of the Employer. Notwithstanding the foregoing, Participant shall not be deemed to have been terminated

for Cause unless and until there shall have been delivered to Participant a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters (3/4) of the entire membership of the Board of Directors of the Employer at a meeting of such Board of Directors called and held for such purpose (after reasonable notice to Participant and an opportunity for Participant, together with Participant's counsel, to be heard before the Board of Directors), finding that in the good faith opinion of the Board of Directors that Participant was guilty of conduct set forth above in subparagraph (i) or (ii) and specifying the particulars thereof in detail.

5. Change in Control.

(a) Notwithstanding anything expressly or impliedly to the contrary contained in this Agreement or the Plan, if, at any time during the three (3)-year period immediately following a Change in Control of the Employer, Participant incurs a Separation from Service by reason of Participant's employment being terminated involuntarily by the Employer for any reason other than for Cause (as defined in subparagraph 4(e) above), or he is demoted or reassigned to a position that causes him to cease to be an Eligible Employee, for any reason other than for Cause (as defined in subparagraph 4(e) above), Participant shall nevertheless be entitled to receive a Supplemental Pension at such time as he becomes entitled to receive a benefit under the Plan regardless of whether Participant has been an Eligible Employee for at least two years or is vested in his retirement benefits under the Pension Plan at the time of such termination, demotion, or reassignment. If a Participant's incurs a Separation from Service by reason of Participant's employment being terminated involuntarily by the Employer for any reason other than for Cause, or his participation in the Plan is terminated by the Employer for any reason other than for Cause, prior to a Change in Control (whether or not a Change in Control ever occurs) and such Separation from Service or termination either (i) was at the request or direction of a person who has entered into an agreement with the Employer, the consummation of which would constitute a Change in Control, or (ii) was otherwise in connection with or in anticipation of a Change in Control (whether or not a Change in Control ever occurs), then such Participant's Separation from Service or termination of participation shall be deemed to have followed a Change in Control of the Employer. Such Supplemental Pension shall be calculated in the same manner as set forth in subparagraph 4(c) above for benefits payable in the event of a termination of the Plan.

(b) (i) As used in this Agreement, except as provided herein, a "Change in Control" of the Employer occurs upon a change in the Employer's ownership, its effective control or the ownership of a substantial portion of its assets, as follows:

(A) Change in Ownership. A change in ownership of the Employer occurs on the date that any "Person" (as defined in subparagraph (ii) below), other than (1) the Employer or any of its subsidiaries, (2) a trustee or other fiduciary holding securities under an employee benefit plan of the Employer or any of its Affiliates, (3) an underwriter temporarily holding stock pursuant to an offering of such stock, or (4) a corporation owned, directly or

indirectly, by the shareholders of the Employer in substantially the same proportions as their ownership of the Employer's stock, acquires ownership of the Employer's stock that, together with stock held by such Person, constitutes more than 50% of the total fair market value or total voting power of the Employer's stock. However, if any Person is considered to own already more than 50% of the total fair market value or total voting power of the Employer's stock, the acquisition of additional stock by the same Person is not considered to be a Change of Control. In addition, if any Person has effective control of the Employer through ownership of 30% or more of the total voting power of the Employer's stock, as discussed in subparagraph (i)(B) below, the acquisition of additional control of the Employer by the same Person is not considered to cause a Change in Control pursuant to this subparagraph (i)(A); or

(B) Change in Effective Control. Even though the Employer may not have undergone a change in ownership under subparagraph (i)(A) above, a change in the effective control of the Employer occurs on either of the following dates:

(1) the date that any Person acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person) ownership of the Employer's stock possessing 30 percent or more of the total voting power of the Employer's stock. However, if any Person owns 30% or more of the total voting power of the Employer's stock, the acquisition of additional control of the Employer by the same Person is not considered to cause a Change in Control pursuant to this subparagraph (i)(B)(1); or

(2) the date during any 12-month period when a majority of members of the Board is replaced by directors whose appointment or election is not endorsed by a majority of the Board before the date of the appointment or election; provided, however, that any such director shall not be considered to be endorsed by the Board if his or her initial assumption of office occurs as a result of an actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(C) Change in Ownership of Substantial Portion of Assets. A change in the ownership of a substantial portion of the Employer's assets occurs on the date that a Person acquires (or has acquired during the 12-month period ending on the date of the



most recent acquisition by such Person) assets of the Employer, that have a total gross fair market value equal to at least 40% of the total gross fair market value of all of the Employer's assets immediately before such acquisition or acquisitions. However, there is no Change in Control when there is such a transfer to an entity that is controlled by the shareholders of the Employer immediately after the transfer, through a transfer to (1) a shareholder of the Employer (immediately before the asset transfer) in exchange for or with respect to the Employer's stock; (2) an entity, at least 50% of the total value or voting power of the stock of which is owned, directly or indirectly, by the Employer; (3) a Person that owns directly or indirectly, at least 50% of the total value or voting power of the Employer's outstanding stock; or (4) an entity, at least 50% of the total value or voting power of the stock of which is owned by a Person that owns, directly or indirectly, at least 50% of the total value or voting power of the Employer's outstanding stock.

(ii) For purposes of subparagraph (i) above,

(A) "Person" shall have the meaning given in Section 7701(a)(1) of the Code. Person shall include more than one Person acting as a group as defined by the Final Treasury Regulations issued under Section 409A of the Code.

(B) "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Securities Exchange Act of 1934, as amended.

(iii) The provisions of this subparagraph 5(b) shall be interpreted in accordance with the requirements of the Final Treasury Regulations under Code Section 409A, it being the intent of the parties that this subparagraph 5(b) shall be in compliance with the requirements of said Code Section and said Regulations.

6. Limitations. Except as otherwise provided in paragraph 5 of this Agreement, Participant agrees that nothing in this Agreement or the Plan shall entitle him, or be deemed to entitle him, to receive a Supplemental Pension under the Plan if:

(a) he has not met the requirements for a Supplemental Pension as set forth in the Plan,

(b) his employment with the Employer is terminated prior to his reaching the age of eligibility for the immediate commencement of his Pension Plan benefit due to resignation, or

(c) his employment with the Employer or participation in the Plan is terminated for Cause (as defined in subparagraph 4(e) above).

7. Amendment or Termination. No amendment or termination of the Plan by the Employer shall constitute an amendment or termination of this Agreement. This Agreement may be amended or modified only by the written agreement of the parties hereto, and will terminate only upon the occurrence of the earlier of the following events: (a) the execution of a written agreement to terminate this Agreement signed by all of the parties hereto, (b) the satisfaction of all of the Employer's obligations to Participant under the Plan and this Agreement, (c) the termination by Participant of Participant's employment with the Employer by resignation effective prior to Participant reaching age 55, unless such resignation occurs after a Change in Control, or (d) the termination for Cause of Participant's employment with the Employer. Notwithstanding any of the terms and conditions of this Participation Agreement or Section 9.1 of the Plan to the contrary, the Board of Directors reserves the right, in its sole discretion, to amend the Plan and/or this Participation Agreement in any manner it deems necessary or desirable in order to comply with or otherwise address issues resulting from Code Section 409A.

8. Funding. Not later than the time each Participant who elected to receive his Supplemental Pension in the form of a monthly annuity provided for in Section 5.3(a)(i), (ii) or (iv) of the Plan Retires or becomes eligible to receive an unreduced Supplemental Pension under the Plan, whichever occurs first, the Employer shall contribute to a trust or other funding arrangement an amount necessary to fund 100% of the then-present value of Participant's accrued Supplemental Pension. Each Participant who elected or is otherwise entitled to receive his Supplemental Pension in a lump sum payment shall not, except as provided below, have any amount contributed to a trust or other funding arrangement on his behalf pursuant to this paragraph 8. Notwithstanding the foregoing, immediately upon a Change in Control, the Employer shall contribute to a trust or other funding arrangement an amount necessary to fund 100% of the then-present value of all Supplemental Pension benefits (vested and unvested) payable under this Agreement and/or the Plan to Participant, regardless of whether Participant is then eligible to Retire or to receive an unreduced Supplemental Pension and regardless of the form in which such Supplemental Pension is to be paid. The amount required to be funded by this paragraph 8 shall be calculated in accordance with paragraph 9 hereof. The Employer shall review the funding status of the trust or other funding arrangement established under this paragraph 8 on an annual basis and shall make contributions thereto as may be required to maintain the value of the assets thereof at no less than 100% of the then-present value of all such Supplemental Pension benefits.

9. Calculation of Funding Obligations. The Employer shall calculate its funding obligations under this Agreement and the Plan solely by using the actuarial assumptions and methodology set forth in Exhibit C to the Plan. Upon and after a Change in Control of the Employer which occurs at a time when Participant is an Eligible Employee, the actuarial assumptions and methodology set forth in Exhibit C may be changed with respect to Participant or, if applicable, his Beneficiary, only with Participant's, or, if applicable, his Beneficiary's, written consent.

10. Confidential Information.

(a) Participant shall not disclose or use at any time, either during employment or thereafter, any Confidential Information (as defined below) of which Participant is or becomes aware, whether or not such information is developed by him, except to the extent that such disclosure or use is directly related to and required by Participant's performance in good faith of duties assigned to Participant by the Employer. Participant will take all appropriate steps to safeguard Confidential Information and to protect it against disclosure, misuse, espionage, loss and theft. Participant shall deliver to the Employer at the termination of employment or at any time the Employer may request all memoranda, notes, plans, records, reports, computer tapes and software and other documents and data (and copies thereof, including electronic copies) relating to the Confidential Information, work product or the business of the Employer or any of its Subsidiaries which he may then possess or have under his control.

(b) As used in this Agreement, the term "Confidential Information" means information that is not generally known to the public and that is used, developed or obtained by the Employer in connection with its business, including but not limited to (i) information, observations and data obtained by Participant while employed by the Employer and its predecessors (including information, observations and data obtained prior to the date of this Agreement), concerning the business or affairs of the Employer, (ii) products or services, (iii) fees, costs and pricing structures, (iv) designs, (v) analyses, (vi) drawings, photographs and reports, (vii) computer software, including operating systems, applications and program listings, (viii) flow charts, manuals and documentation, (ix) data bases, (x) accounting and business methods, (xi) inventions, devices, new developments, methods and processes, whether patentable or unpatentable and whether or not reduced to practice, (xii) customers and clients and customer or client lists (including names of contact persons, purchasing patterns or preferences, past purchase and sale history and other information), (xiii) other copyrightable works, (xiv) all production methods, processes, technology and trade secrets, (xv) business strategies, acquisition plans and candidates, financial or other performance data and personnel lists and data, and (xvi) all similar and related information in whatever form. Confidential Information will not include any information that has been published in a form generally available to the public, or has become otherwise generally known by the public (in each case, through no fault of Participant) prior to the date Participant proposes to disclose or use such information. Participant shall not disclose Confidential Information unless it is required to be disclosed by law, regulation or an order of a court or other governmental entity. In the event that an action is initiated pursuant to which Participant may become legally compelled to disclose all or any portion of the Confidential Information, he shall provide the Employer with prompt notice thereof, so that the Employer may seek a protective order or other appropriate remedy. In the event that such protective order or other remedy is not obtained, Participant shall furnish only that portion of the Confidential Information which is

legally required and shall exercise his best efforts to obtain reliable assurances that confidential treatment will be afforded such portion of the Confidential Information. Confidential Information will not be deemed to have been published merely because individual portions of the information have been separately published, but only if all material features comprising such information have been published in combination.

11. Annual Statements. As soon as practicable after the end of each Plan Year, the Employer shall deliver to Participant or, if applicable, his Beneficiary, a statement containing (a) the present value of the Employer's future benefit obligations to Participant, or, if applicable, his Beneficiary; (b) the actuarial assumptions used to calculate the present value of the Employer's future benefit obligations under the Plan; and (c) the aggregate current value of the assets, if any, held in a trust or other funding arrangement which are sufficient to fund 100% of the then-present value of the accrued Supplemental Pension for any Participant, Retired Participant, or Beneficiary for whom benefits are paid in the form of an annuity and for whom assets are required to be held in trust.

12. No Guarantee of Employment. Nothing contained in this Agreement shall be construed as a contract of employment between the Employer and Participant, or as a right of Participant to be continued in the employment of the Employer, or as a limitation of the right of the Employer to discharge Participant with or without cause.

13. Legal Fees and Expenses. The Employer agrees to pay any and all legal fees and expenses incurred by Participant in seeking to obtain or enforce any right or benefit provided by this Agreement.

14. Capitalized Terms. Each capitalized term used in this Agreement that is not otherwise defined herein shall have the same meaning attributed to it in the Plan.

15. Agreement Binding on Successors to the Employer. Any successor to the Employer hereunder, which successor continues or acquires any of the business of the Employer, shall be bound by the terms of this Agreement in the same manner and to the same extent as the Employer.

16. Prior Agreements Superseded. The terms of this Agreement supersede the terms of all prior Participation Agreements between Participant and the Employer.

17. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Texas.

IN WITNESS WHEREOF, the parties hereto have executed this Participation Agreement as of the date first written above.

**PARTICIPANT**

**ATMOS ENERGY CORPORATION**

By: \_\_\_\_\_



**EXHIBIT B**

**ATMOS ENERGY CORPORATION**

**SUMMARY OF ACTUARIAL ASSUMPTIONS  
FOR DETERMINING  
LUMP SUM DISTRIBUTIONS  
AND  
OPTIONAL ANNUITY FORMS**

**Actuarial assumptions for determining lump sums:**

- (i) Interest: The applicable segment rates as defined in Code Section 417(e)(3)(D) for the November preceding the first day of the calendar year in which the lump sum is paid and without regard to the phase-in percentages specified in Code Section 417(e)(3)(D)(iii).
- (ii) Mortality: The applicable mortality table as defined in Code Section 417(e)(3), and amended by the Pension Protection Act.

**Actuarial assumptions for conversion of a life annuity to an optional form of payment other than a lump sum:**

- (i) Interest: 6.0% per year.
- (ii) Mortality: 1983 Unisex Group Annuity Mortality (50% 1983 Group Annuity Mortality for males, 50% 1983 Group Annuity Mortality for females).

**EXHIBIT C**

**ATMOS ENERGY CORPORATION**

**SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS  
FOR  
DETERMINING SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN TRUST  
ANNUAL FUNDING LIABILITIES**

**Actuarial Assumptions**

Discount Rate	8%
Mortality	
Prior to Age 62	None
After Age 62	Code Section 417(e)(3) Applicable Mortality Table*
Salary Scale	0%
Benefit Percentage	60%

\*The table prescribed in Rev. Rul. 2001-62, or such other mortality table which in the future may be specified from time to time as the applicable mortality table for purposes of Code Section 417(e)(3).

**Method for Determining Liabilities**

The liability determined is the present value as of the valuation date of the projected age 62 Supplemental Executive Retirement Plan benefit. The projected age 62 benefit is based on Supplemental Executive Retirement Plan compensation determined as the sum of (1) and (2) as follows:

- (1) The greater of (A) Participant's annual base salary at the date of his termination of employment, or (B) the average of the Participant's annual base salary for the highest three (3) calendar years (whether or not consecutive) of the Participant's employment with the Employer.
- (2) The greater of (A) the Participant's last Performance Award or (B) the average of the highest three (3) Performance Awards (whether or not consecutive).

The qualified plan offset is the projected age 62 qualified plan benefit with no salary scale or wage base projections.



CASE NO. 2009-00354  
ATTACHMENT 2  
TO AG DR SET NO. 2  
QUESTION NO. 2-22

# Atmos Energy Corporation Pension Account Plan Summary Plan Description

Effective January 1, 2009





# Atmos Energy Corporation Pension Account Plan

## Table of Contents

<b>Highlights .....</b>	<b>1</b>	<b>Administrative Information .....</b>	<b>10</b>
<b>Participation.....</b>	<b>1</b>	Your Rights under ERISA.....	10
Eligibility .....	1	Qualified Domestic Relations Order .....	12
Service .....	1	Claims.....	12
<b>Previous Plans.....</b>	<b>3</b>	Appeal Procedures .....	13
<b>How Your Account Grows.....</b>	<b>3</b>	Maximum Pension Benefit.....	14
Opening Balance .....	4	Taxes on Benefits.....	14
Allocations to Your Account .....	4	If the Plan Becomes Top-Heavy .....	14
Interest Earnings.....	5	Future of the PAP .....	14
Calculating Your Benefit .....	5	Plan Sponsor .....	15
<b>How Your Benefit Is Paid.....</b>	<b>6</b>	Plan Administrator .....	15
Automatic Forms of Payment.....	6	Plan Administration.....	15
Optional Forms of Payment .....	7	Plan Year .....	15
<b>When Your Payments Begin.....</b>	<b>8</b>	Plan Trustee .....	15
Normal Retirement.....	8	Agent for Service of Legal Process .....	16
Early Retirement .....	8	Plan Number.....	16
Late Retirement .....	8	Employer Identification Number .....	16
If You Return to Work After Retirement ..	9	Plan Identification .....	16
If Your Employment Ends .....	9		
If You Become Disabled .....	9		
Death Benefits .....	10		

## Highlights

The Pension Account Plan ("PAP"), a defined benefit plan, is part of Atmos Energy's approach to helping you build financial security for your retirement. With this PAP, your benefit is shown as an account balance, so you can watch your benefit grow over time. Your account will grow, tax-deferred, through company allocations and interest earnings. Atmos Energy pays the full, actuarially-determined cost of the PAP through contributions to a trust funding the PAP.

## Participation

### Eligibility

If you were not a participant in the PAP on December 31, 2008, you are eligible to participate in the PAP on the first day of the month after you complete one year of Participation Service.

If you are a leased employee, you are not eligible to participate.

If you are a member of a union and covered by a collective bargaining agreement, you can participate in the PAP only as allowed by that agreement. If your PAP participation ends because you are covered by such an agreement, you may immediately resume your participation in the PAP if:

- Your coverage under that agreement ends, and
- You are employed by the company at that time.

Former MVG Union Members shall be eligible to participate in the PAP as of their Non-Union Transfer Dates (as described in the Previous Plans section, below).

## Service

Generally, service is the length of time you work for the company. You generally begin earning service on your first day of employment. There are three types of service:

- **Participation Service** is used to determine your eligibility to participate in the PAP.
- **Eligibility Service** is used to determine when you have earned the right to receive a benefit.
- **Benefit Service** is the time period used to calculate the amount of your benefit.

### Participation Service

You earn a year of Participation Service if you earn at least 1,000 hours of service during your first twelve months of employment or during any calendar year after that time, including in the case of a Former MVG Union Member any service earned for eligibility purposes under the Previous Plan as of the day before the Merger Date (as described in the Previous Plans section, below).

Individuals who were employees of an Atmos Energy affiliate which does not maintain the PAP (a "Nonparticipating Affiliate") prior to becoming employees of Atmos Energy or a Participating Affiliate will receive Participation Service Credit for all their employment with the Nonparticipating Affiliate.

### Eligibility Service

You generally begin earning Eligibility Service on your date of employment. You will be 100% vested in your account after you complete three years of Eligibility Service, including in the case of a Former MVG Union Member any service earned for vesting purposes under the Previous Plan as of the

day before the Merger Date (as described in the Previous Plans section, below).

Individuals who were employees of a Nonparticipating Affiliate prior to becoming employees of Atmos Energy or a Participating Affiliate will receive Eligibility Service credit for their employment with the Nonparticipating Affiliate as follows.

(i) If the Nonparticipating Affiliate maintained a qualified plan before it became an affiliate of Atmos Energy, then Eligibility Service will count from the date the Nonparticipating Affiliate first maintained a qualified plan, if later than the employee's date of employment with the Nonparticipating Affiliate.

(ii) If the Nonparticipating Affiliate did not maintain a qualified plan before it became an affiliate of Atmos Energy, then service will count from the date the Nonparticipating Affiliate became an affiliate of Atmos Energy, if later than the employee's date of employment with the Nonparticipating Affiliate.

Eligibility Service ends when your employment ends.

### **Benefit Service**

You generally begin earning Benefit Service on the date of your employment with Atmos Energy or a Participating Affiliate. Your Benefit Service under the PAP includes any Benefit Service you earned or any service credited for benefit purposes, as the case may be, under the Previous Plan as of the day before the Merger Date (as described in the Previous Plans section, below). In addition, certain former employees of TXU Gas Company or its affiliates on June 17, 2004

("Former TXU Employees") have Benefit Service credit equal to their years and partial years of service beginning on their credited service start date under the TXU Retirement Plan as in effect on September 30, 2004, and ending on the date they became employees of Atmos Energy or a Participating Affiliate. You continue earning Benefit Service until your employment ends. Benefit Service includes any time you were away from work because of qualified military service. It also includes any time you were employed after your normal retirement date.

Prior to January 1, 2005, if you were employed by a Nonparticipating Affiliate before becoming an employee of Atmos Energy or a Participating Affiliate, your Benefit Service included any employment with such Nonparticipating Affiliate from and after January 1, 1999.

Benefit Service ends when your employment with Atmos Energy and all Participating Affiliates ends.

### **Hours of Service**

You will receive 90 Hours of Service credit for each bi-weekly payroll period in which you earn at least one Hour of Service. Generally, you earn an Hour of Service for each hour you are paid for doing your job, including back pay. You also earn Hours of Service when you are away from work, but are entitled to be paid, such as:

- Paid time off
- Holidays
- Extended Illness Bank
- Disability
- Jury duty
- Military duty
- Leave of absence

### **Break in Service**

You will have a Break in Service if you leave the company and you do not earn at least one Hour of Service during the twelve-month period beginning on the date you leave employment. If you complete one Hour of Service within the year after you leave employment, you will not have a Break in Service. You will receive Eligibility Service (but not Benefit Service) for the time you were away from the company, beginning with the first date of your absence and ending on the date of your re-employment.

You will not have a Break in Service if you are absent from work because of any of the following reasons:

- You are pregnant
- You give birth to a child
- You adopt a child
- You need time to care for a child immediately following birth or adoption.

Your Hours of Service will be credited in the plan year in which your absence begins if necessary to prevent a Break in Service in that year, or in all other cases, in the following plan year, but no more than 501 Hours of Service will be credited for any such absence.

### **Previous Plans**

Several pension plans were merged into the PAP as of January 1, 1999. In addition, assets and liabilities were transferred to the PAP effective as of June 1, 2000 from the Southwestern Energy Company Pension Plan (the "SEC Plan") on behalf of former employees of Southwestern Energy Company ("SEC") who became employees of Atmos Energy as a result of its acquisition of part of

SEC's Associated Natural Gas Division. Effective June 30, 2003, assets and liabilities were spun off from the Mississippi Valley Gas Company Retirement Plan (the "MVG Plan") and transferred into the PAP (the "MVG Plan Merger") on behalf of participants (and their beneficiaries and/or alternate payees) in the MVG Plan ("MVG Plan Participants") who were non-union employees of Atmos Energy on June 30, 2003 or were not employees of Atmos Energy on such date. In addition, certain employees of Atmos Energy who are employed in the MVG Division and who transfer from employment that is covered by a collective bargaining agreement between Atmos Energy and the International Chemical Workers Union Council, United Food & Commercial Workers Union International and its Local 1047C (the "Union") to employment that is not covered by that collective bargaining agreement but is employment covered by the Pension Account Plan, ("Former MVG Union Members") shall have their benefits and corresponding assets under the Atmos Energy Corporation Retirement Plan for MVG Union Employees spun off and transferred to the PAP. All of these plans will be referred to in this Summary as "Previous Plans", and the effective date of the plan mergers (January 1, 1999) or the asset/liability spinoff/transfer (June 1, 2000 or June 30, 2003) or the date a Former MVG Union Member so transfers employment (the "Non-Union Transfer Date"), as the case may be, will be referred to as the "Merger Date."

### **How Your Account Grows**

Under the PAP, a Cash Balance Account is set up in your name. The Company pays the entire cost of this benefit and sets aside monies based on an actuarial determination each year. The assets of the PAP are held in

trust on your behalf. As you work for Atmos Energy, the account will grow through company allocations and interest earnings. You will receive an annual statement showing you how much the Company has credited to your account and how much interest you have earned.

Your account is equal to the sum of your Opening Balance, Annual Pay Credits, and Interest Credits.

### Opening Balance

If you are hired or become a participant in the PAP on or after January 1, 1999, the opening balance in your account will be \$0.

If you were an active employee and a participant in one of the Previous Plans as of the day before the Merger Date, you received an opening balance based on the present value of the benefit you accrued in your Previous Plan as of the day before the Merger Date, except that in the case of the MVG Plan Merger, you received an opening balance on July 1, 2003, based on the present value of the benefits you accrued in the MVG Plan as of June 29, 2003, and the PAP as of June 30, 2003.

Your accrued benefit under the PAP is not less than your accrued benefit as of the day before the Merger Date, determined under your Previous Plan.

### Allocations to Your Account

#### Compensation

Compensation is the total amount paid to you as reported on your Federal Income Tax Withholding Statement plus any pre-tax contributions under Sections 125 and 401(k), but not including any of the following:

- Expense reimbursements

- Bonuses
- Contributions under the PAP or any other deferred compensation or welfare benefit plan (except under Sections 125 and 401(k))
- Other special payments of any kind that are unrelated to your activities associated with or in lieu of your performance of services for Atmos Energy or a Participating Affiliate

Compensation is subject to a statutory limit, which for 2009 is \$245,000

While you work for Atmos Energy, the Company will make allocations to your account each year based on your age, service, and compensation. You will receive allocations based on your compensation and on any compensation you receive that is above the Social Security Wage Base. You will receive an additional allocation if certain transitional rules apply to you (see the following information). The Company will post the total allocation to your account at the end of each calendar year. This table shows the percentage of your compensation that will be allocated to your account:

Annual Allocation		
Age <sup>1</sup> plus Service <sup>2</sup> at Start of Plan Year	Your Compensation	Your Compensation Above Wage Base <sup>3</sup>
Less than 35	2.35%	2.35%
35-49	3.25%	3.25%
50-64	4.5%	4.5%
65-79	6.25%	5%
80-94	8.5%	5%
95 or more	10.5%	5%

<sup>1</sup> Your age in whole years as of the first day of the Plan Year.

<sup>2</sup> Your years of Benefit Service as of the first day of the Plan Year.

<sup>3</sup> The Social Security Wage Base, set each year by the federal government. It is \$106,800 for 2009.

**Example**

Suppose Susan is age 35 with 10 years of service and her total pay is \$50,000 a year. Here's how the PAP would calculate her allocation in the Pension Plan Account:

\$50,000      Annual Pay  
X 3.25%      Annual Allocation % (age + service = 45)  
 \$ 1,625      Annual Allocation

**Special Transition Allocation**

If you were a participant in a Previous Plan, you have received or will receive an additional allocation each year for up to 10 years ( if you were a participant in one of the several plans that merged into the PAP as of January 1, 1999, the 10 years ended December 31, 2008; in the case of a Former MVG Union Member, the 10 years began as of July 1, 2003) - as long as you work for Atmos Energy and remain eligible to participate in the PAP - to ease the transition into the PAP. The amount of the additional allocation will be based on your age as of the Merger Date (or July 1, 2003, in the case of the MVG Plan Merger or a Former MVG Union Member). The following table shows the percentage of your pay you will receive as your transition allocation:

Age as of Merger Date	Other Plans		UCG*	
	Total Pay	Pay Above Wage Base	Total Pay	Pay Above Wage Base
Less than age 30	0%	0%	0%	0%
30 to 34	1%	1%	0%	0%
35 to 39	2%	2%	1%	1%
40 to 44	3%	3%	3%	3%
Age 45 or more	5%	5%	4%	4%

\*Because of the differences among the Previous Plans, the transition allocation percentages are different for you if you were a member of Retirement Plan for Employees of United Cities Gas Company.

**Example**

Suppose Bill is 44 years old and is still covered by the special transition allocation. Based on the table above, his additional allocation rate is 3%. If his annual pay is \$50,000, the PAP would calculate his additional allocation as follows:

\$50,000      Annual Pay  
X 3%      Additional Allocation %  
 \$ 1,500      Additional Allocation

**Interest Earnings**

The balance in your account will continue to earn interest until you begin receiving benefits. The interest credits will be calculated based on your account balance on the first day of each plan year and added to your account at the end of that year. The interest rate will be equal to the 30-year U.S. Treasury Securities rate in effect for November of the prior year. It will not be less than 4.69% or more than 7%. This competitive rate allows your account to grow consistently while avoiding the uncertainties associated with the stock market.

**Calculating Your Benefit**

When you retire, the account balance in your Cash Balance Account is converted to a monthly life annuity. You may also choose to receive your benefit in an optional form as described in the Optional Forms of Payment section, below.

**Minimum Benefit**

Your accrued benefit will never be less than the greater of:

- Your accrued benefit as of the day before the Merger Date under the Previous Plan, or
- Your employee contributions to a Previous Plan, plus any interest under the provisions of that plan.

### **Special “Grandfather” Rules**

If you were a participant in one of the Previous Plans as of the day before the Merger Date, and you had reached age 50 as of the Merger Date (or July 1, 2003, in the case of the MVG Plan Merger and in the case of any Former MVG Union Member), special “grandfather” rules apply to you for a period of 10 years (if you were a participant in one of the several plans that merged into the PAP as of January 1, 1999, the 10 years ended December 31, 2008; in the case of a Former MVG Union Member, the 10 years will begin on July 1, 2003).

Under these rules:

Your benefit will be calculated two ways:

1. Under the PAP, and
2. Under the Previous Plan formulae. Using these formulae, your benefit is the sum of (i) the amount determined as of the day before the Merger Date (or in the case of the MVG Plan Merger, as of June 30, 2003) adjusted for future pay increases through your date of termination of employment or 10 years after the Merger Date (or 10 years after July 1, 2003, in the case of the MVG Plan Merger and in the case of any Former MVG Union Member), if earlier, and (ii) the amount for service after the Merger Date (or July 1, 2003, in the case of the MVG Plan Merger) under the formula in the

Employees Retirement Plan of Atmos Energy Corporation in effect on December 31, 1998—service and final average earnings are determined as of your date of termination of employment or 10 years from the Merger Date (or 10 years after July 1, 2003, in the case of the MVG Plan Merger and in the case of any Former MVG Union Member), if earlier.

The results of 1. and 2. above will be compared, and you will receive the larger benefit.

### **How Your Benefit Is Paid**

#### **Automatic Forms of Payment**

If the lump sum value of your benefits under the PAP is less than \$5,000 when you retire or otherwise leave the Company, you will receive your benefit as a lump sum payment. Prior to the distribution, you will be given the option of having the lump sum payment paid directly to you in cash or rolled over to an individual retirement account (“IRA”) or retirement plan of your choice.

If the lump sum value of your benefits is less than \$5,000 and you do not choose how you want the lump sum paid, the lump sum value will be distributed as follows: (1) If the value at the time of distribution is \$1,000 or less, it will be paid directly to you in cash (less required income tax withholding); and (2) if the value at the time of distribution is more than \$1,000, the value will be rolled over directly to an IRA account established in your name by the Plan Administrator.

If an IRA account is established in your name by the Plan Administrator, your IRA account will be invested in an investment option which is designed to preserve your principal account balance, provide a reasonable rate of return, and maintain liquidity. Fees and expenses charged for the establishment and maintenance of your IRA account will be paid directly from your IRA account.

For further information concerning the PAP's mandatory distribution procedures, IRA provider(s) selected by the Plan Administrator, and the fees and expenses charged for establishing and maintaining the IRA(s), please contact the Plan Administrator at 972-934-9227, or by mail at 1800 Three Lincoln Centre, 5430 LBJ Freeway, Dallas, TX 75240.

If the value of your Cash Balance Account is more than \$5,000 when you retire or otherwise leave the Company and you have not elected an optional form of payment, you will receive the automatic form of payment. The automatic form of payment depends on your marital status:

- If you are single, the automatic form of payment is the *life annuity option*. Your benefit is paid as a single life annuity for as long as you live. Your benefits are paid monthly, and stop at your death.
- If you are married, the automatic form of payment is the *joint and survivor option (50%)*. Under this form of payment, a reduced monthly benefit is payable to you for life. If you die before your spouse, 50% of your benefit will be paid to your spouse for his or her lifetime. After your death and your spouse's death, no further benefits are paid. When your spouse dies, payments will stop. If your spouse dies

before you, your benefit will not change. No benefit will be payable after your death, even if you have been remarried.

### **Optional Forms of Payment**

You may choose an optional form of payment by completing an election form available from the Plan Administrator. If you are married, you must obtain your spouse's written and notarized consent.

### **Joint and Survivor Annuity**

You may choose to receive an actuarially reduced benefit for your lifetime. After your death, your beneficiary will receive 66.67%, 75%, or 100% of the benefit you received before your death, depending on the option you chose. If your beneficiary dies before you, the benefit remains unchanged and cannot be transferred to another person. No benefit is then payable after your death.

### **Life Annuity**

If you choose the life annuity option, your benefit is paid as a single life annuity for as long as you live. Your monthly benefits are based on the value of your account and your age when payments begin. Payments stop when you die.

### **Life Annuity with Guaranteed Payment Period**

You may choose to receive a reduced monthly benefit for your lifetime, but guaranteed for a period of five or ten years, depending on the option you choose. If you die before the guaranteed number of payments have been made, your beneficiary will receive payments for the remainder of the guaranteed period. If you live beyond the guaranteed period, benefits will continue for your lifetime and stop when you die.



### **Lump Sum Option**

You may choose to receive your benefits in one lump sum payment. If your benefits are based on your account balance, your lump sum payment will equal the value of your account balance. If you are covered by the special "grandfather" rules described above and the value of your grandfathered benefit is greater than the value of your account balance, your lump sum payment will equal the actuarial equivalent value of your grandfathered benefit. Once you receive a lump sum payment, you generally will not receive any additional benefits from the PAP.

### **Special "Grandfather" Optional Forms of Payment**

If you were a participant in one of the Previous Plans as of the day before the Merger Date, in addition to the forms of benefits provided above, you may choose any of the other optional forms of payment provided for under the appropriate Previous Plan as in effect on the day before the Merger Date.

### **Tax Consequences to Consider**

If you elect to receive monthly benefits from the PAP, you will owe ordinary income taxes on these payments.

If you elect a lump sum payment, you may wish to roll over your entire distribution until you need to use it as a source of income. By rolling over your payment to an Individual Retirement Account (IRA) or another employer's qualified plan, you can continue to defer taxes. Otherwise, the full amount of the payment will be taxed as part of your ordinary income for the year in which you receive it. You also may be subject to state tax.

If you leave employment and you elect a distribution before you reach age 59½, your payment may also be subject to a 10% penalty tax for early payment, if you do not roll it over.

The penalty tax does not apply if your account is paid out because of your death.

### **When Your Payments Begin**

#### **Normal Retirement**

The normal retirement age is 65, or the fifth anniversary of your employment date, whichever is later. The first day of the following month is your normal retirement date, and you can begin receiving benefits on that date.

#### **Early Retirement**

You may retire early if you have reached age 55 and have completed at least three years of Eligibility Service. If you retire early, you may choose to receive immediate early retirement income or a deferred retirement income. The amount of your monthly benefit will be adjusted based on your age at the time you begin receiving the benefit.

#### **Late Retirement**

If you continue working for Atmos Energy after you reach age 65, your account will continue to grow until you actually retire. You can begin receiving benefits on the first day of the month after you retire.

If you continue working after you reach age 70½, you must begin receiving benefits on April 1 of the next calendar year, or April 1 of the year after you retire, whichever is later. If you own five percent or more of the company, you must begin receiving benefits on April 1 of the year after you reach age 70½ or the year in which you become a five percent owner, whichever is later.

## If You Return to Work After Retirement

If you return to work after your retirement benefit has begun, your benefit will continue without interruption. When you become eligible to participate in the PAP, a new Cash Balance Account will be established for you. The new account will be treated separately.

## If Your Employment Ends

### Vesting

Vesting is your ownership in the PAP. You are fully vested upon the earliest of:

- You reach Normal Retirement Age while employed by the company. (Note: Normal Retirement Age is age 65, or the fifth anniversary of your employment date, whichever is later.);
- You complete three years of Eligibility Service, or
- The PAP ends.

If you are vested in the PAP and you end your employment before you are eligible for early or normal retirement, and if the lump sum payment described under the Automatic Forms of Payment section above is not paid, you may receive your benefit beginning the first day of the month after you leave the company, or you may postpone receiving benefits until you reach early or normal retirement age.

If you leave the company before you are vested in the PAP, you are not entitled to receive any benefit from the PAP.

## Rehires

If you leave the company and are later rehired before your retirement benefit begins, your previous Eligibility Service and Benefit Service will be restored on your new employment date if:

- You are vested in the PAP, or
- If you are rehired before five consecutive Breaks in Service or a period of time equal to your previous Eligibility Service or Benefit Service, whichever period is greater.

If you were eligible for participation in the PAP when you left the company, you will be eligible on the date you are rehired.

Otherwise, you will be eligible when you have completed one year of Participation Service.

## If You Become Disabled

If you become disabled before you retire, your account will continue to grow as though you were actively employed — until you choose to begin receiving your plan benefit.

Becoming disabled means (i) qualification for long-term disability benefits under the Atmos Energy Corporation Group Long-Term Disability Plan, as in effect from time to time; or, (ii) if the Long-Term Disability Plan is not then in existence or you are no longer entitled to benefits under the Long-Term Disability Plan because you received a lump sum settlement of disability benefits under that plan, eligibility for Social Security disability benefits. If your disability is based on your eligibility for Social Security disability benefits, you shall not be treated as having suffered a disability unless you provide written proof that you are receiving Social Security disability benefits, and unless you provide written proof of the continuing receipt of Social Security disability benefits six months after commencement of Social Security disability benefits and every six months thereafter, your disability will be deemed to have ceased at the time you fail to provide such written proof.

For example, if Bill becomes disabled at age 45, is earning \$40,000 and has 10 years of service, he will continue earning an annual

allocation each year he is disabled based on \$40,000. Bill's account will also grow each year with interest. The annual allocation will reflect age and service increases as if Bill were actively employed and will include the Special Transitional Allocation, if applicable.

## Death Benefits

### If You Die Before You Retire

If you are vested and die before you retire, your beneficiary must apply in writing to receive your benefit. Your beneficiary may choose a life annuity or lump sum payment. If your sole beneficiary is your spouse, he or she may begin receiving a monthly annuity or receive a lump sum payment at any time until the date you would have reached age 70 ½. If your surviving spouse is not your sole beneficiary, then distributions to your beneficiary must commence within one year of the date on which you died. If there is no beneficiary as of September 30 of the year following the year of your death, your entire interest must be distributed by the fifth anniversary of your death.

#### Beneficiary

Your beneficiary will receive your benefit if you die before receiving the value of your account. If you are married, you may name someone other than your spouse as beneficiary only if you have the notarized written consent of your spouse to do so.

### If You Die After Retirement

If you die after receiving a lump sum payment from the plan, no benefits are payable to your beneficiary.

If you die after monthly benefits have begun, death benefits will be paid to your beneficiary only if the form of payment you elected provides for such payments.

## Administrative Information

### Your Rights Under ERISA

As a participant in the PAP, you have certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

### Receive Information About Your Plan and Benefits

- Examine, without charge, at the Plan Administrator's office and other specified locations, such as worksites, all plan documents, including copies of all documents filed with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration, such as annual reports (Form 5500 Series) and plan descriptions.
- Obtain copies of all plan documents and other plan information upon written request to the Plan Administrator. The Plan Administrator may charge a reasonable amount for the copies.
- Receive the plan's annual funding notice. The Plan Administrator is required by law to furnish each participant with such notice.
- Obtain a statement telling you whether you have a right to receive a benefit from the plan at normal retirement age (age 65) and, if so, what your benefit under the plan would be at normal retirement age if you stop working now. If you do not have a right to a benefit, the statement will tell you how many more years you have to work to earn a right to a benefit. This statement must be requested in writing

and is not required to be given more than once every 12 months. The Plan Administrator must provide the statement free of charge.

### **Prudent Action by Plan Fiduciaries**

In addition to creating rights for plan participants, ERISA imposes duties upon the people responsible for the plan's operation. The people who supervise the plan's operation, called "fiduciaries," have a duty to do their jobs prudently and solely in the interest of you and other plan participants and beneficiaries. Fiduciaries who violate ERISA may be removed and required to make good any losses they have caused the plan.

The Plan Administrator has the sole authority to interpret the terms of the plan. No one, including an employer or any other person, may fire you or discriminate against you in any way to prevent you from obtaining a benefit from the plan or exercising your rights under ERISA.

### **Enforce Your Rights**

If a claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision, without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual funding notice from the Plan Administrator and do not receive them within 30 days, you may sue in federal court. The court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials — unless the materials were not sent because of reasons

beyond the Plan Administrator's control. If you have a claim for benefits that is denied or ignored, in whole or in part, and you disagree with the denial, you must file an appeal of that denial in accordance with the Appeal Procedures described below in this Summary Plan Description. After the final appeal is denied, in accordance with the Appeal Procedures, you may file suit in a state or federal court. In addition, if you disagree with the decision or lack thereof concerning the qualified status of a domestic relations order, after exhausting the appeals process described in the Appeal Procedures below, you may file suit in Federal court.

If the plan's fiduciaries misuse the plan's money or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay those costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim frivolous.

### **Assistance with Your Questions**

If you have any questions about the plan, contact the Plan Administrator. If there are any questions about this statement or about your rights under ERISA, you should contact the nearest area office of the Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

## **Qualified Domestic Relations Order**

Your Plan benefits are intended for you and/or a beneficiary. They may not be assigned, attached, or seized by creditors, except in the case of a federal tax levy or a Qualified Domestic Relations Order (QDRO).

A QDRO is a legal judgment, decree, or order that recognizes a child's or other dependent's support, alimony, or marital property rights.

If you become legally separated or divorced, some or all of your benefits under the Plan may be assigned to an alternate payee to satisfy a legal obligation you may have to a spouse, former spouse, child, or other dependent.

The order must meet specific requirements to be recognized as qualified by the Plan Administrator. Also, the order must meet certain guidelines regarding the amount and timing of payments.

If the Plan Administrator determines that a domestic relations order is qualified or unqualified within 18 months after the order is received, the Plan Administrator will notify you and any affected person of the determination, in writing. If the Plan Administrator cannot determine whether a domestic relations order is qualified within 18 months, the order is considered unqualified.

If a domestic order is judged qualified after the 18-month period, the plan cannot enforce the order retroactively. Payments must begin at the date the order was determined to be qualified.

It is important that you, your attorney, or the court immediately provide the Plan Administrator with any domestic relations

court order that assigns any part of your benefits to an alternate payee.

If the plan is prevented from honoring a court order because you fail to provide the Plan Administrator with a copy of the order and any other information requested by the Committee, you must resolve any resulting problems with the court.

In certain instances, payment of court-ordered benefits may begin while you are still working. The amount of any payments will be based on the benefit you have already earned on the date they are to begin. These payments will reduce your future benefit payments.

## **Claims**

To receive a benefit from the plan, you must submit an application in writing to the Committee. An authorized representative may act on your behalf or on your beneficiary's behalf in requesting a benefit. Any references to "you," "your beneficiary" or "claimant" shall, as appropriate, include such authorized representative.

In the event the claim is denied or the Committee otherwise makes an adverse benefit determination as defined in the U.S. Department of Labor regulations regarding claims procedures (referred to herein as an "adverse decision"), the Committee shall provide the claimant a written statement which shall be delivered or mailed to the claimant by certified mail to his last known address or, in some cases, via electronic notification. The written statement shall be written in a manner calculated to be understood by the claimant and shall contain the following:

- (i) the specific reason or reasons for the adverse decision;
- (ii) references to the specific provisions of the PAP upon which the denial is based;
- (iii) a description of any additional material or information that is necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and
- (iv) an explanation of the review procedure provided below and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following a denial of benefits after such review.

Such written statement will be provided to the claimant within a reasonable period, but not later than 90 days after the Committee receives such claim, unless the Committee determines that special circumstances require an extension of time for processing the claim. If the Committee determines that an extension of time for processing is required, it will provide the claimant with written notice of the extension no later than 90 days after it receives the claim. In no event shall such extension exceed a period of 90 days from the end of the initial 90 day period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Committee expects to render the benefit determination.

### **Appeal Procedures**

Within 60 days after receipt of a notice of an adverse decision as provided above, if the claimant disagrees with the adverse decision, the claimant or his authorized representative

must request, in writing, that the Committee review his claim. In conducting its review, the Committee shall consider any written statement or other evidence presented by the claimant or his authorized representative in support of his claim.

The Committee will give the claimant, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits. The Committee will provide the claimant with the opportunity to submit written comments, documents, records, and other information relating to the claim for benefits. The Committee will provide a full and fair review of the claim taking into account all comments, documents, records, and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

If the Committee denies the claim on appeal, the Committee shall notify the claimant in writing of the adverse decision by delivery or by certified mail to his last known address or, in some cases, via electronic notification. The Committee shall notify the claimant of the adverse decision on appeal within a reasonable period, but not later than 60 days after receipt of the claimant's request for a review by the PAP. However, in the event that special circumstances require an extension of time for processing the application for review (such as the need to hold a hearing, if the PAP's procedures provide for a hearing), the Committee shall so notify the claimant of its decision not later than 120 days after receipt of the appeal application. If this extension of time is needed, the Committee shall furnish the claimant, within 60 days after its receipt of such application, written notification of the extension explaining the circumstances

requiring such extension and the date that it is anticipated that its decision will be furnished.

The decision of the Committee on appeal shall be in writing, shall be written in a manner calculated to be understood by the claimant and shall include the following:

- (i) the specific reason or reasons for the denial of the appeal;
- (ii) references to the specific provisions of the PAP on which the denial was based;
- (iii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits; and
- (iv) a statement of the claimant's right to bring an action under Section 502(a) of ERISA.

### **Maximum Pension Benefit**

Federal regulations may limit the benefits earned under the plan for certain participants. For example, for 2009, the maximum amount of pay used to determine the credits to your account is \$245,000 per year, and the maximum annual pension limit is \$195,000. The limit may be adjusted each year. If you are affected by these limits, you will be notified.

### **Taxes on Benefits**

You do not pay income tax on your benefits until you begin receiving payments. Payments are taxed as ordinary income. When you start receiving a benefit, you must choose whether or not to have federal income taxes withheld from the monthly payment. If you do not

choose, the Trustee will withhold taxes based on IRS regulations.

If you receive a lump sum payment from the PAP, the Trustee must withhold 20% of the lump sum for federal income taxes. To avoid this withholding and defer paying taxes, you could instruct the Trustee to deposit the benefit into an Individual Retirement Account or another employer's qualified retirement plan. You also may be subject to state taxes.

### **If the Plan Becomes Top-Heavy**

Tax laws require the PAP to include provisions that would take effect if it becomes "top heavy." A plan is considered top-heavy if 60% or more of the value of all plan benefits are payable to a small group of senior employees. It is unlikely that the PAP will become top-heavy. A more detailed explanation of these provisions will be provided, if necessary.

### **Future of the PAP**

Atmos Energy Corporation expects to continue the PAP indefinitely, but an unqualified commitment to continue the PAP without modification is not possible. Therefore, the Company reserves the right to change, amend, or discontinue the PAP at any time. No amendment can be made which would reduce the accrued benefit of any employee.

This PAP is designed for the benefit of PAP participants and their beneficiaries. If the PAP were ever discontinued, every actively employed participant would immediately become 100% vested in his or her accrued benefit. Once all participants and beneficiaries received their PAP benefits, any surplus in the trust fund would be returned to the Company.

Your pension benefits under this PAP are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the PAP terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under their PAP, but some people may lose certain benefits.

The PBGC guarantee generally covers: (1) Normal and early retirement benefits; (2) disability benefits if you become disabled before the PAP terminates; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) Benefits greater than the maximum guaranteed amount set by law for the year in which the PAP terminates; (2) some or all of benefit increases and new benefits based on PAP provisions that have been in place for fewer than 5 years at the time the PAP terminates; (3) benefits that are not vested because you have not worked long enough for the company; (4) benefits for which you have not met all of the requirements at the time the PAP terminates; (5) certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the PAP's normal retirement age; and (6) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money your PAP has and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask your plan administrator or contact the PBGC's Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at <http://www.pbgc.gov>.

### **Plan Sponsor**

Atmos Energy Corporation  
1800 Three Lincoln Centre  
5430 LBJ Freeway  
Dallas, TX 75240  
(972) 934-9227

### **Plan Administrator**

Atmos Energy Qualified Retirement Plans and Trusts Committee (the "Committee")  
1800 Three Lincoln Centre  
5430 LBJ Freeway  
Dallas, TX 75240  
(972) 934-9227

### **Plan Administration**

The PAP is self-administered by the Atmos Energy Qualified Retirement Plans and Trusts Committee.

### **Plan Year**

The plan year is January 1 through December 31.

### **Plan Trustee**

State Street Bank and Trust Company  
Specialized Trust Services  
125 Sunnynoll Court, Suite 200  
Winston-Salem, NC 27106



**Agent for Service of Legal Process**

General Counsel

Atmos Energy Corporation

1800 Three Lincoln Centre

5430 LBJ Freeway

Dallas, TX 75240

**Plan Number:**

003

**Employer Identification Number:**

75-1743247

**Plan Identification**

The official name of the plan is the **Atmos Energy Corporation Pension Account Plan**.

*This is a summary of the Atmos Energy Corporation Pension Account Plan, as amended and restated effective January 1, 2005, and as thereafter amended. This summary is effective as of January 1, 2009. While this summary includes many of the facts about the PAP, it does not attempt to describe all provisions or limitations. In case of any questions, the official plan document, as interpreted and administered by the Qualified Retirement Plans and Trusts Committee, remains the final authority.*

**SUPPLEMENTAL EXECUTIVE BENEFITS PLAN ("SEBP") AND  
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN ("SERP")**

**ACTIVE OFFICERS**

<u>Name</u>	<u>Plan</u>
Chairman & Chief Executive Officer	SEBP
President, Louisiana Division	SEBP
VP, New Business Ventures	SEBP
President, Colorado-Kansas Division	SEBP
President, Kentucky/Mid-States Division	SERP
VP, Governmental & Public Affairs	SERP
VP, Gas Supply & Services	SERP
President & Chief Operating Officer	SERP
VP, Corporate Development	SERP
President, Atmos Pipeline-Texas	SERP
President, Mississippi Division	SERP
VP & Chief Information Officer	SERP
President, West Texas Division	SERP
Senior VP & General Counsel	SERP
VP, Strategic Planning	SERP
Senior VP, Human Resources	SERP
VP, Customer Service	SERP
VP, Investor Relations	SERP
Corporate Secretary	SERP
VP & Controller	SERP
President, Mid-Tex Division	SERP
VP & Controller	2009 SERP
VP, Gas Supply & Services	2009 SERP
	17 SERP
	4 SEBP
	2 2009 SERP

**TERM VESTED OFFICERS**

<u>Name</u>	<u>Plan</u>
Vice President and Controller	SEBP
Vice President, General Counsel and Corporate Secretary	SEBP
Executive Vice President, Corporate Operations	SEBP

**DEATH BENEFIT**

<u>Name</u>	<u>Plan</u>
Vice President Intrastate Gas Supply	SEBP

**LUMP SUM BENEFIT**

<u>Name</u>	<u>Plan</u>
Senior VP, Human Resources	SEBP
Senior VP & Chief Financial Officer	SERP
VP & Treasurer	SERP
Senior VP, Nonregulated Operations	SERP

**Retired (SERP Benefits Payroll) (7)**

- VP & Controller, Energas Co.
- President, TransLa
- President, Energas
- Executive 1
- Executive 2
- Executive 3
- Executive 4

**RETIRED OFFICERS RECEIVING BENEFITS**

<u>Name</u>	<u>Plan</u>
President, United Cities Gas Company	SEBP
Vice President Financial and Strategic Planning	SEBP
Assistant Controller	SEBP
VP, Marketing	SEBP
President, Energas Co.	SEBP
VP, Governmental Affairs	SEBP
Vice President, Rates and Regulatory Affairs	SEBP
Vice President, Investor Relations	SEBP
Senior Vice President, Utility Operations	SEBP
Vice President Information Services	SEBP
President, Trans Louisiana Gas Company	SEBP
Senior Vice President, Corporate Services	SEBP
Senior Vice President, Public Affairs	SEBP
Exec VP, Corporate Services	SEBP
Chairman & Chief Executive Officer	SEBP
Vice President Technical Services	SEBP
Senior Vice President, Utility Services	SEBP
Vice President Marketing	SEBP
Vice President Gas Supply	SEBP
Chairman & Chief Executive Officer	SEBP
Corporate Secretary	SEBP (deceased)
Treasurer	SEBP
President, Emermart Energy Trust	SERP
Corporate Secretary	SERP
Senior Vice President, Nonutility Operations	SERP
	22 SEBP
	3 SERP

**DISABILITY BENEFIT**

<u>Name</u>	<u>Plan</u>
Vice President and Chief Information Officer	SERP

ATMOS ENERGY  
2008 SEBP - SERP COMPENSATION

<b>Position</b>	<b>Division</b>	<b>Plan</b>
President, Kentucky/Mid-States Division	Kentucky/Mid-States	SERP
VP, Governmental & Public Affairs	Shared Services	SERP
VP, Gas Supply & Services	Shared Services	SERP
Chairman & Chief Executive Officer	Shared Services	SEBP
President & Chief Operating Officer	Shared Services	SERP
VP, Corporate Development	Shared Services	SERP
President, Atmos Pipeline-Texas	Atmos Pipeline-Texas	SERP
President, Mississippi Division	Mississippi	SERP
VP, Investor Relations	Shared Services	SERP
VP & Chief Information Officer	Shared Services	SERP
President, West Texas Division	West Texas	SERP
Senior VP & General Counsel	Shared Services	SERP
VP, Strategic Planning	Shared Services	SERP
Senior VP, Human Resources	Shared Services	SERP
VP, Customer Service	Shared Services	SERP
President, Louisiana Division	Louisiana	SEBP
Senior VP, Nonregulated Operations	Shared Services	SERP
Corporate Secretary	Shared Services	SERP
VP, New Business Ventures	Shared Services	SEBP
VP & Controller	Shared Services	SERP
President, Mid-Tex Division	Mid-Tex	SERP
Senior VP & Chief Financial Officer	Shared Services	SERP
President, Colorado-Kansas Division	Colorado-Kansas	SEBP
VP & Treasurer	Shared Services	SERP