



March 29, 2009

Mr. Jeff Derouen, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602

RECEIVED

MAR 30 2010

PUBLIC SERVICE  
COMMISSION

2010-00135

**Re: Case No. 2010-00000**

Dear Mr. Derouen:

We are filing the enclosed original and three (3) copies of a notice under the provisions of our Gas Cost Adjustment Clause, Case No. 2010-00000. **This filing contains a Petition of Confidentiality and confidential documents.**

Please indicate receipt of this filing by stamping and dating the enclosed duplicate of this letter and returning it in the self-addressed stamped envelope to the following address:

Atmos Energy Corporation  
5430 LBJ Freeway, Suite 700  
Dallas, TX 75240

If you have any questions, feel free to call me at 972-855-3115.

Sincerely,

A handwritten signature in cursive script that reads "Judy Dunlap".

Judy Dunlap  
Rate Analyst

Enclosures

COMMONWEALTH OF KENTUCKY  
BEFORE THE  
KENTUCKY PUBLIC SERVICE COMMISSION

In the Matter of:

2010-00135

GAS COST ADJUSTMENT )  
FILING OF )  
ATMOS ENERGY CORPORATION )

Case No. 2010-00000

NOTICE

QUARTERLY FILING

For The Period

May 1, 2010 – July 31, 2010

Attorney for Applicant

Mark R. Hutchinson  
611 Frederica Street  
Owensboro, Kentucky 42301

March 29, 2010

Atmos Energy Corporation, ("the Company"), is duly qualified under the laws of the Commonwealth of Kentucky to do its business. The Company is an operating public utility engaged in the business of purchasing, transporting and distributing natural gas to residential, commercial and industrial users in western and central Kentucky. The Company's principal operating office and place of business is 3275 Highland Pointe Drive, Owensboro, Kentucky 42303. Correspondence and communications with respect to this notice should be directed to:

Mark A. Martin  
Vice President of Rates & Regulatory Affairs  
Kentucky/Mid-States Division  
Atmos Energy Corporation  
3275 Highland Pointe Drive  
Owensboro, Kentucky 42303

Mark R. Hutchinson  
Attorney for Applicant  
611 Frederica Street  
Owensboro, Kentucky 42301

Judy Dunlap  
Rate Analyst, Rate Administration  
Atmos Energy Corporation  
5430 LBJ Freeway, Suite 700  
Dallas, Texas 75240

The Company gives notice to the Kentucky Public Service Commission, hereinafter "the Commission", pursuant to the Gas Cost Adjustment Clause contained in the Company's settlement gas rate schedules in Case No. 99-070.

The Company hereby files Thirty-Ninth Revised Sheet No. 4, Thirty-Ninth Revised Sheet No. 5 and Thirty-Ninth Revised Sheet No. 6 to its PSC No. 1, Rates, Rules and Regulations for Furnishing Natural Gas to become effective May 1, 2010.

The Gas Cost Adjustment (GCA) for firm sales service is \$5.4981 per Mcf and \$4.5269 per Mcf for interruptible sales service. The supporting calculations for the Thirty-Ninth Revised Sheet No. 5 are provided in the following Exhibits:

Exhibit A – Comparison of Current and Previous Gas Cost Adjustment (GCA) Cases

Exhibit B – Expected Gas Cost (EGC) Calculation

Exhibit C - Rates used in the Expected Gas Cost (EGC) – **NOTE: There were no changes to the pipeline tariffs which are not included in this filing.**

Exhibit D – Correction Factor (CF) Calculation

Exhibit E – Refund Factor Calculation

Since the Company's last GCA filing, Case No. 2009-00544, the following changes have occurred in its pipeline and gas supply commodity rates for the GCA period.

1. The commodity rates per Mcf used are based on historical estimates and/or current data for the quarter of May 1, 2010 through July 31, 2010, as shown in Exhibit C, page 1 of 2.
2. The G-1 Expected Commodity Gas Cost will be approximately \$5.8487 per Mcf for the quarter May 1, 2010 through July 31, 2010, as compared to \$7.1655 per Mcf used for the period of February 1, 2010 through April 30, 2010. The G-2 Expected

Commodity Gas Cost will be approximately \$4.8775 for the quarter May 1, 2010 through July 31, 2010, as compared to \$6.2652 for the period February 1, 2010 through April 30, 2010.

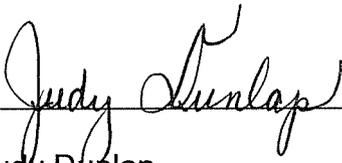
3. The Company's notice sets out a new Correction Factor of (\$.4702) per Mcf which will remain in effect until at least April 30, 2010.
4. The Company's notice also sets out a new Refund Factor of (\$.0102) per Mcf which will remain in effect until at least April 30, 2010.

The GCA tariff as approved in Case No. 92-558 provides for a Correction Factor (CF) which compensates for the difference between the expected gas cost and the actual gas cost for prior periods. A revision to the GCA tariff effective December 1, 2001, Filing No. T62-1253, provides that the Correction Factor be filed on a quarterly basis. The Company is filing its updated Correction Factor that is based upon the balance in the Company's 1910 Account as of January 31, 2010 (February general ledger). The calculation for the Correction Factor is shown on Exhibit D, Page 1 of 5.

WHEREFORE, Atmos Energy Corporation requests this Commission, pursuant to the Commission's order in Case No. 99-070, to approve the Gas Cost Adjustment (GCA) as filed in Thirty-Ninth Revised Sheet No. 5; and Thirty-Ninth Revised Sheet No. 6 setting out the General Transportation Tariff Rate T-2 for each respective sales rate for meter readings made on and after May 1, 2010.

DATED at Dallas, Texas this 29th Day of March, 2010.

ATMOS ENERGY CORPORATION

By:   
\_\_\_\_\_  
Judy Dunlap  
Rate Analyst, Rate Administration  
Atmos Energy Corporation

**ATMOS ENERGY CORPORATION**

**Current Rate Summary**  
Case No. 2010-00000

**Firm Service**

Base Charge:				
Residential	-	\$9.35	per meter	per month
Non-Residential	-	25.00	per meter	per month
Carriage (T-4)	-	250.00	per delivery point	per month
Transportation Administration Fee	-	50.00	per customer	per meter

<u>Rate per Mcf</u> <sup>2</sup>			<u>Sales (G-1)</u>		<u>Transport (T-2)</u>		<u>Carriage (T-4)</u>					
First	300	<sup>1</sup> Mcf	@	6.6881	per Mcf	@	2.3736	per Mcf	@	1.1900	per Mcf	(R, I, N)
Next	14,700	<sup>1</sup> Mcf	@	6.2511	per Mcf	@	1.9366	per Mcf	@	0.7530	per Mcf	(R, I, N)
Over	15,000	Mcf	@	5.9689	per Mcf	@	1.6544	per Mcf	@	0.4708	per Mcf	(R, I, N)

**Interruptible Service**

Base Charge	-	\$250.00	per delivery point	per month
Transportation Administration Fee	-	50.00	per customer	per meter

<u>Rate per Mcf</u> <sup>2</sup>			<u>Sales (G-2)</u>		<u>Transport (T-2)</u>		<u>Carriage (T-3)</u>					
First	15,000	<sup>1</sup> Mcf	@	5.1269	per Mcf	@	0.8124	per Mcf	@	0.6000	per Mcf	(R, I, N)
Over	15,000	Mcf	@	4.9069	per Mcf	@	0.5924	per Mcf	@	0.3800	per Mcf	(R, I, N)

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

<sup>2</sup> DSM and R&D Riders may also apply, where applicable.

**ISSUED:** March 29, 2010

**Effective:** May 1, 2010

(Issued by Authority of an Order of the Public Service Commission in Case No. 2010-00000.)

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

ATMOS ENERGY CORPORATION

<b>Current Gas Cost Adjustments</b>			
<b>Case No. 2010-00000</b>			
<b><u>Applicable</u></b>			
For all Mcf billed under General Sales Service (G-1) and Interruptible Sales Service (G-2).			
Gas Charge = GCA			
GCA = EGC + CF + RF + PBRRF			
<b><u>Gas Cost Adjustment Components</u></b>	<u>G - 1</u>	<u>G-2</u>	
EGC (Expected Gas Cost Component)	5.8487	4.8775	(R, R)
CF (Correction Factor)	(0.4702)	(0.4702)	(I, I)
RF (Refund Adjustment)	(0.0102)	(0.0102)	(R, R)
PBRRF (Performance Based Rate Recovery Factor)	<u>0.1298</u>	<u>0.1298</u>	(N, N)
GCA (Gas Cost Adjustment)	<u><u>\$5.4981</u></u>	<u><u>\$4.5269</u></u>	(R, R)

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**ATMOS ENERGY CORPORATION**

**Current Transportation and Carriage**

**Case No. 2010-00000**

The General Transportation Rate T-2 and Carriage Service (Rates T-3 and T-4) for each respective service net monthly rate is as follows:

**System Lost and Unaccounted gas percentage:** 3.45%

				<u>Simple Margin</u>		<u>Non- Commodity</u>		<u>Gross Margin</u>	
<b><u>Transportation Service (T-2)</u></b> <sup>1</sup>									
a) <b><u>Firm Service</u></b>									
First	300	<sup>2</sup>	Mcf @	\$1.1900	+	\$1.1836	=	\$2.3736	per Mcf (I)
Next	14,700	<sup>2</sup>	Mcf @	0.7530	+	1.1836	=	1.9366	per Mcf (I)
All over	15,000		Mcf @	0.4708	+	1.1836	=	1.6544	per Mcf (I)
b) <b><u>Interruptible Service</u></b>									
First	15,000	<sup>2</sup>	Mcf @	\$0.6000	+	\$0.2124	=	\$0.8124	per Mcf (I)
All over	15,000		Mcf @	0.3800	+	0.2124	=	0.5924	per Mcf (I)
<b><u>Carriage Service</u></b> <sup>3</sup>									
<b><u>Firm Service (T-4)</u></b>									
First	300	<sup>2</sup>	Mcf @	\$1.1900	+	\$0.0000	=	\$1.1900	per Mcf
Next	14,700	<sup>2</sup>	Mcf @	0.7530	+	0.0000	=	0.7530	per Mcf
All over	15,000	<sup>2</sup>	Mcf @	0.4708	+	0.0000	=	0.4708	per Mcf
<b><u>Interruptible Service (T-3)</u></b>									
First	15,000	<sup>2</sup>	Mcf @	\$0.6000	+	\$0.0000	=	\$0.6000	per Mcf
All over	15,000		Mcf @	0.3800	+	0.0000	=	\$0.3800	per Mcf

<sup>1</sup> Includes standby sales service under corresponding sales rates. R&D Rider may also apply.

<sup>2</sup> All gas consumed by the customer (Sales and transportation; firm, interruptible, and carriage) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

<sup>3</sup> Excludes standby sales service.

**ISSUED:** March 29, 2010

**Effective:** May 1, 2010

(Issued by Authority of an Order of the Public Service Commission in Case No. 2010-00000.)

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

Line No.	Description	Case No.		Difference
		2009-00544	2010-00000	
		\$/Mcf	\$/Mcf	\$/Mcf
1	<b><u>G - 1</u></b>			
2				
3	<u>Distribution Charge (per Case No. 99-070)</u>			
4	First 300 Mcf	1.1900	1.1900	0.0000
5	Next 14,700 Mcf	0.7530	0.7530	0.0000
6	Over 15,000 Mcf	0.4708	0.4708	0.0000
7				
8	<u>Gas Cost Adjustment Components</u>			
9	EGC (Expected Gas Cost):			
10	Commodity	6.0554	4.6651	(1.3903)
11	Demand	1.1101	1.1836	0.0735
12	Total EGC	7.1655	5.8487	(1.3168)
13	CF (Correction Factor)	(0.8088)	(0.4702)	0.3386
14	RF (Refund Adjustment)	0.0000	(0.0102)	(0.0102)
15	PBRRF (Performance Based Rate Recovery Factor)	0.1298	0.1298	0.0000
16	GCA (Gas Cost Adjustment)	6.4865	5.4981	(0.9884)
17				
18	<u>Rate per Mcf (GCA included)</u>			
19	First 300 Mcf	7.6765	6.6881	(0.9884)
20	Next 14,700 Mcf	7.2395	6.2511	(0.9884)
21	Over 15,000 Mcf	6.9573	5.9689	(0.9884)

Line No.	Description	Case No.		Difference
		2009-00544	2010-00000	
		\$/Mcf	\$/Mcf	\$/Mcf
1	<b><u>G - 2</u></b>			
2				
3	<u>Distribution Charge (per Case No. 99-070)</u>			
4	First 15,000 Mcf	0.6000	0.6000	0.0000
5	Over 15,000 Mcf	0.3800	0.3800	0.0000
6				
7	<u>Gas Cost Adjustment Components</u>			
8	EGC (Expected Gas Cost):			
9	Commodity	6.0554	4.6651	(1.3903)
10	Demand	0.2098	0.2124	0.0026
11	Total EGC	6.2652	4.8775	(1.3877)
12	CF (Correction Factor)	(0.8088)	(0.4702)	0.3386
13	RF (Refund Adjustment)	0.0000	(0.0102)	(0.0102)
14	PBRRF (Performance Based Rate Recovery Factor)	0.1298	0.1298	0.0000
15	GCA (Gas Cost Adjustment)	5.5862	4.5269	(1.0593)
16				
17	<u>Rate per Mcf (GCA included)</u>			
18	First 300 Mcf	6.1862	5.1269	(1.0593)
19	Over 14,700 Mcf	5.9662	4.9069	(1.0593)
20				
21				
22	<b><u>Refund Factor (RF)</u></b>			
23				
24		Effective		
25	Case No.	Date	RF	
26				
27	1 - 2010-00000	5/1/2010	(\$0.0102)	
28	2 -		0.0000	
29	3 -		0.0000	
30	4 -		0.0000	
31				
32	Total Refund Factor (RF)		(\$0.0102)	
33				

Line No.	Description	Case No.		Difference
		2009-00544	2010-00000	
		\$/Mcf	\$/Mcf	\$/Mcf
1	<b><u>T - 2 / Firm Service (High Priority)</u></b>			
2				
3	<u>Simple Margin / Distribution Charge (per Case No. 99-070)</u>			
4	First 300 Mcf	1.1900	1.1900	0.0000
5	Next 14,700 Mcf	0.7530	0.7530	0.0000
6	Over 15,000 Mcf	0.4708	0.4708	0.0000
7				
8	<u>Non-Commodity Components</u>			
9	Demand	1.1101	1.1836	0.0735
10	RF (Refund Adjustment)	0.0000	0.0000	0.0000
11	Total Non-Commodity Components	1.1101	1.1836	0.0735
12				
13	<u>Rate per Mcf (GCA included)</u>			
14	First 300 Mcf	2.3001	2.3736	0.0735
15	Next 14,700 Mcf	1.8631	1.9366	0.0735
16	Over 15,000 Mcf	1.5809	1.6544	0.0735
17				

Line No.	Description	Case No.		Difference
		2009-00544	2010-00000	
		\$/Mcf	\$/Mcf	\$/Mcf
1	<b><u>T -4 Carriage Service / Firm Service (High Priority)</u></b>			
2				
3	<u>Simple Margin / Distribution Charge (per Case No. 99-070)</u>			
4	First 300 Mcf	1.1900	1.1900	0.0000
5	Next 14,700 Mcf	0.7530	0.7530	0.0000
6	Over 15,000 Mcf	0.4708	0.4708	0.0000
7				
8	<u>Non-Commodity Components</u>			
9	RF (Refund Adjustment)	0.0000	0.0000	0.0000
10				
11	Total Non-Commodity Components	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
12				
13	<u>Rate per Mcf (GCA included)</u>			
14	First 300 Mcf	1.1900	1.1900	0.0000
15	Next 14,700 Mcf	0.7530	0.7530	0.0000
16	Over 15,000 Mcf	0.4708	0.4708	0.0000
17				

**Atmos Energy Corporation**  
Comparison of Current and Previous GCA Cases  
Interruptible Transportation and Carriage Service

Line No.	Description	Case No.		Difference
		2009-00544	2010-00000	
		\$/Mcf	\$/Mcf	\$/Mcf
1	<b><u>T - 2 / Interruptible Service (Low Priority)</u></b>			
2				
3	<u>Simple Margin / Distribution Charge (per Case No. 99-070)</u>			
4	First 300 Mcf	0.6000	0.6000	0.0000
5	Over 15,000 Mcf	0.3800	0.3800	0.0000
6				
7	<u>Non-Commodity Components</u>			
8	Demand	0.2098	0.2124	0.0026
9	RF (Refund Adjustment)	0.0000	0.0000	0.0000
10	Total Non-Commodity Components	0.2098	0.2124	0.0026
11				
12	<u>Rate per Mcf (GCA included)</u>			
13	First 300 Mcf	0.8098	0.8124	0.0026
14	Over 15,000 Mcf	0.5898	0.5924	0.0026
15				
16	<b><u>T - 3 Carriage Service / Interruptible Service (Low Priority)</u></b>			
17				
18	<u>Simple Margin / Distribution Charge (per Case No. 99-070)</u>			
19	First 300 Mcf	0.6000	0.6000	0.0000
20	Over 15,000 Mcf	0.3800	0.3800	0.0000
21				
22	<u>Non-Commodity Components</u>			
23	RF (Refund Adjustment)	0.0000	0.0000	0.0000
24	Total Non-Commodity Components	0.0000	0.0000	0.0000
25				
26	<u>Rate per Mcf (GCA included)</u>			
27	First 300 Mcf	0.6000	0.6000	0.0000
28	Over 15,000 Mcf	0.3800	0.3800	0.0000

**Atmos Energy Corporation**  
 Expected Gas Cost (EGC) Calculation  
 Texas Gas Transmission - Non-Commodity

Line No.	Description	Tariff Sheet No.	(1)	(2)	(3) <u>Non-Commodity</u>	
			Annual Units MMbtu	Rate \$/MMbtu	Total \$	Demand \$
1	<b><u>SL to Zone 2</u></b>					
2	NNS Contract #	N000210/29760	12,617,673			
3	Base Rate	26		0.3088	3,896,336	3,896,336
4						
5	Total SL to Zone 2		<u>12,617,673</u>		<u>3,896,336</u>	<u>3,896,336</u>
6						
7	<b><u>SL to Zone 3</u></b>					
8	NNS Contract #	N000340/29762	27,480,375			
9	Base Rate	26		0.3543	9,736,297	9,736,297
10						
11	FT Contract #	003355/29759	5,475,000			
12	Base Rate	21		0.2494	1,365,465	1,365,465
14						
15	Total SL to Zone 3		<u>32,955,375</u>		<u>11,101,762</u>	<u>11,101,762</u>
16						
19	<b><u>Zone 1 to Zone 3</u></b>					
20	FT Contract #	21793/29761	1,095,000			
21	Base Rate	21		0.2194	240,243	240,243
22						
23	Total Zone 1 to Zone 3		<u>1,095,000</u>		<u>240,243</u>	<u>240,243</u>
24						
25	<b><u>SL to Zone 4</u></b>					
26	NNS Contract #	N000435/29763	3,320,769			
27	Base Rate	26		0.4190	1,391,402	1,391,402
28						
29	FT Contract #	003819/29765	1,277,500			
30	Base Rate	21		0.3142	401,393	401,393
31						
32	Total SL to Zone 4		<u>4,598,269</u>		<u>1,792,795</u>	<u>1,792,795</u>
33						
34	Total SL to Zone 2		12,617,673		3,896,336	3,896,336
35	Total SL to Zone 3		32,955,375		11,101,762	11,101,762
36	Total Zone 1 to Zone 3		1,095,000		240,243	240,243
37						
38	Total Texas Gas		<u>51,266,317</u>		<u>17,031,136</u>	<u>17,031,136</u>
39						
40						
41	Total Texas Gas Area Non-Commodity				<u>17,031,136</u>	<u>17,031,136</u>

**Atmos Energy Corporation**  
 Expected Gas Cost (EGC) Calculation  
 Tennessee Gas Pipeline - Non-Commodity

Line No.	Description	Tariff Sheet No.	(1)	(2)	(3) (4) Non-Commodity	
			Annual Units MMbtu	Rate \$/MMbtu	Total \$	Demand \$
<b>1 0 to Zone 2</b>						
2	FT-G Contract # 2546.1		12,844	9.0600		
3	Base Rate	23B		9.0600	116,367	116,367
4						
5	FT-G Contract # 2548.1		4,363	9.0600		
6	Base Rate	23B		9.0600	39,529	39,529
7						
8	FT-G Contract # 2550.1		5,739	9.0600		
9	Base Rate	23B		9.0600	51,995	51,995
10						
11	FT-G Contract # 2551.1		8,085	9.0600		
12	Base Rate	23B		9.0600	73,250	73,250
14						
15	Total Zone 0 to 2		<u>31,031</u>		<u>281,141</u>	<u>281,141</u>
16						
<b>17 1 to Zone 2</b>						
18	FT-G Contract # 2546		114,156	7.6200		
19	Base Rate	23B		7.6200	869,869	869,869
20						
21	FT-G Contract # 2548		44,997	7.6200		
22	Base Rate	23B		7.6200	342,877	342,877
23						
24	FT-G Contract # 2550		59,741	7.6200		
25	Base Rate	23B		7.6200	455,226	455,226
26						
27	FT-G Contract # 2551		81,920	7.6200		
28	Base Rate	23B		7.6200	624,230	624,230
29						
30	Total Zone 1 to 2 and Zone 0 to 2		<u>331,845</u>		<u>2,573,344</u>	<u>2,573,343</u>
31						
<b>32 Gas Storage</b>						
33 Production Area:						
34	Demand	27	34,968	2.0200	70,635	70,635
35	Space Charge	27	4,916,148	0.0248	121,920	121,920
36 Market Area:						
37	Demand	27	237,408	1.1500	273,019	273,019
38	Space Charge	27	<u>10,846,308</u>	0.0185	<u>200,657</u>	<u>200,657</u>
39	Total Storage		<u>16,034,832</u>		<u>666,231</u>	<u>666,231</u>
40						
41	Total Tennessee Gas Area FT-G Non-Commodity				<u><u>3,239,575</u></u>	<u><u>3,239,574</u></u>

**Atmos Energy Corporation**  
 Expected Gas Cost (EGC) Calculation  
 Texas Gas Transmission - Commodity Purchases

Line No.	Description	Tariff Sheet No.	(1)		(2)	(3)	(4)
			Purchases Mcf	MMbtu	Rate \$/MMbtu	Total \$	
1	<u>No Notice Service</u>			3,694,627			
2	Indexed Gas Cost				4.3120	15,931,232	
3	Commodity (Zone 3)	26			0.0509	188,057	
4	Fuel and Loss Retention @	36	1.33%		0.0581	214,658	
5						<u>4.4210</u>	16,333,947
6							
7	<u>Firm Transportation</u>			2,036,697			
8	Indexed Gas Cost				4.3120	8,782,237	
9	Base (Weighted on MDQs)				0.0440	89,615	
10	ACA	22			0.0019	3,870	
11	Fuel and Loss Retention @	36	1.33%		0.0581	118,332	
12						<u>4.4160</u>	8,994,054
13	<u>No Notice Storage</u>						
14	<u>Net (Injections)/Withdrawals</u>						
15	Withdrawals			0	5.5810	0	
16	Injections			(1,569,111)	4.3120	(6,766,007)	
17	Commodity (Zone 3)	26			0.0509	(79,868)	
18	Fuel and Loss Retention @	36	1.33%		0.0752	(117,997)	
19				(1,569,111)	4.4381	(6,963,872)	
20							
21							
22	Total Purchases in Texas Area				<u>4.4121</u>	<u>18,364,129</u>	
23							
24							
25	<u>Used to allocate transportation non-commodity</u>						
26							
27				Annualized		Commodity	
28				MDQs in		Charge	Weighted
29	<u>Texas Gas</u>			MMbtu	Allocation	\$/MMbtu	Average
30	SL to Zone 2	22		12,617,673	24.61%	\$0.0399	\$ 0.0098
31	SL to Zone 3	22		32,955,375	64.28%	0.0445	\$ 0.0286
32	1 to Zone 3	22		1,095,000	2.14%	0.0422	\$ 0.0009
33	SL to Zone 4	22		4,598,269	8.97%	0.0528	\$ 0.0047
34	Total			<u>51,266,317</u>	<u>100.00%</u>		<u>\$ 0.0440</u>
35							
36	<u>Tennessee Gas</u>						
37	0 to Zone 2	23C		31,031	9.35%	\$0.0880	\$ 0.0082
38	1 to Zone 2	23C		300,814	90.65%	0.0776	0.0703
39	Total			<u>331,845</u>	<u>100.00%</u>		<u>\$ 0.0786</u>

**Atmos Energy Corporation**  
 Expected Gas Cost (EGC) Calculation  
 Tennessee Gas Pipeline - Commodity Purchases

Line No.	Description	Tariff Sheet No.	(1)		(2)	(3)	(4)
			Purchases	Rate	Total		
			Mcf	MMbtu	\$/MMbtu	\$	
1	<u>FT-A and FT-G</u>			707,462			
2	Indexed Gas Cost				4.3120	3,050,576	
3	Base Commodity (Weighted on MDQs)				0.0786	55,587	
4	ACA	23C			0.0019	1,344	
5	Fuel and Loss Retention	29	4.43%		0.1999	141,422	
6					4.5924	3,248,929	
7							
8	<u>FT-GS</u>			28,560			
9	Indexed Gas Cost				4.3120	123,151	
10	Base Rate	20			0.5844	16,690	
11	ACA	23C			0.0019	54	
12	Fuel and Loss Retention	29	4.43%		0.1999	5,709	
13					5.0982	145,604	
14							
15	<u>Gas Storage</u>						
16	FT-A & FT-G Market Area Withdrawals			0	4.3290	-	
17	FT-A & FT-G Market Area Injections			(525,562)	4.3120	(2,266,223)	
18	Withdrawal Rate	27			0.0102	0	
19	Injection Rate	27			0.0102	(5,361)	
20	Fuel and Loss Retention	27	1.49%		0.0655	(34,424)	
21	Total			(525,562)	4.3877	(2,306,008)	
22							
23							
24							
25	Total Tennessee Gas Zones			210,460	5.1721	1,088,525	

**Atmos Energy Corporation**  
 Expected Gas Cost (EGC) Calculation  
 Trunkline Gas Company

Commodity		(1)	(2)	(3)	(4)
Line No.	Description	Tariff Sheet No.	Purchases Mcf	Rate \$/MMbtu	Total \$
1	<u>Firm Transportation</u>				
2	Expected Volumes		92,000		
3	Indexed Gas Cost			4.3120	396,704
4	Base Commodity	10		0.0130	1,196
6	ACA	10		0.0019	175
7	Fuel and Loss Retention	10	2.46%	0.1088	10,010
8				<u>4.4357</u>	<u>408,085</u>
9					
10					

Non-Commodity

Line No.	Description	Tariff Sheet No.	Annual Units MMbtu	Non-Commodity		
				Rate \$/MMbtu	Total \$	Demand \$
	<b>Injections</b>					
11	FT-G Contract # 014573		27,000			
12	Discount Rate on MDQs			7.3371	198,102	198,102
13						
14	Total Trunkline Area Non-Commodity				<u>198,102</u>	<u>198,102</u>

**Atmos Energy Corporation**  
 Expected Gas Cost (EGC) Calculation  
 Demand Charge Calculation

Line No.	(1)	(2)	(3)	(4)	(5)
1	<u>Total Demand Cost:</u>				
2	Texas Gas Transmission	\$17,031,136			
3	Midwestern	0			
4	Tennessee Gas Pipeline	3,239,574			
5	Trunkline Gas Company	198,102			
6	Total	<u>\$20,468,812</u>			
7					
8		Allocated	Related	<u>Monthly Demand Charge</u>	
9	<u>Demand Cost Allocation:</u>	Factors	Demand	Volumes	Firm Interruptible
10	All	0.1809	\$3,702,808	17,434,480	0.2124 0.2124
11	Firm	0.8191	16,766,004	17,263,240	0.9712
12	Total	<u>1.0000</u>	<u>\$20,468,812</u>		<u>1.1836 0.2124</u>
13					
14			Volumetric Basis for		
15		Annualized	<u>Monthly Demand Charge</u>		
16		Mcf @14.65	All	Firm	
17	<u>Firm Service</u>				
18	Sales:				
19	G-1	17,263,240	17,263,240	17,263,240	1.1836
20					
21	<u>Interruptible Service</u>				
22	Sales:				
23	G-2	171,240	171,240		1.1836 0.2124
24					
25	<u>Carriage Service</u>				
26	T-3 & T-4	21,185,357			
27					
28		<u>38,619,837</u>	<u>17,434,480</u>	<u>17,263,240</u>	

**Atmos Energy Corporation**  
 Expected Gas Cost (EGC) Calculation  
 Commodity - Total System

	(1)	(2)	(3)	(4)
<b>Line</b>				
<b>No. Description</b>	<b>Purchases</b>		<b>Rate</b>	<b>Total</b>
	Mcf	MMbtu	\$/Mcf	\$
<b>1 Texas Gas Area</b>				
2 No Notice Service	3,643,616	3,694,627	4.4829	16,333,947
3 Firm Transportation	2,008,577	2,036,697	4.4778	8,994,054
4 No Notice Storage	(1,547,447)	(1,569,111)	4.5002	(6,963,872)
5 Total Texas Gas Area	4,104,746	4,162,213	4.4739	18,364,129
6				
<b>7 Tennessee Gas Area</b>				
8 FT-A and FT-G	692,775	707,462	4.6897	3,248,929
9 FT-GS	27,967	28,560	5.2063	145,604
10 Gas Storage				
11 Injections	(514,651)	(525,562)	4.4807	(2,306,008)
12 Withdrawals	0	0	0.0000	0
13	206,091	210,460	5.2818	1,088,525
<b>14 Trunkline Gas Area</b>				
15 Firm Transportation	90,108	92,000	4.5288	408,085
16				
17				
<b>18 WKG System Storage</b>				
19 Injections	(2,588,376)	(2,624,613)	4.5002	(11,648,295)
20 Withdrawals	0	0	0.0000	0
21 Net WKG Storage	(2,588,376)	(2,624,613)	4.5002	(11,648,295)
22				
23				
24 Local Production	251,404	256,432	4.3120	1,084,054
25				
26				
27				
28 Total Commodity Purchases	2,063,973	2,096,492	4.5042	9,296,498
29				
30 Lost & Unaccounted for @ 3.45%	71,207	72,329		
31				
32 Total Deliveries	1,992,766	2,024,163	4.6651	9,296,498
33				
34				
35				
36 Total Expected Commodity Cost	1,992,766	2,024,163	4.6651	9,296,498
37				
38				
39 Note: Column (3) is calculated by dividing column (4) by column (1)				

Line No.	Description	MCF
	<u>Annualized Volumes Subject to Demand Charges</u>	
1	Sales Volume	17,434,480
2	Transportation	<u>0</u>
3	Total Mcf Billed Demand Charges	17,434,480
4	Divided by: Days/Year	<u>365</u>
5	Average Daily Sales and Transport Volumes	<u><u>47,766</u></u>
6		
7	<u>Peak Day Sales and Transportation Volume</u>	
8	Estimated total company firm requirements for 5 degree average	
9	temperature days from Peak Day Book - with adjustments per rate filing	<u>264,079</u> Mcf/Peak Day
10		
11		
12	New Load Factor (line 5 / line 9)	<b>0.1809</b>

Basis for Indexed Gas Cost  
For the Quarter of May 2010 through July 2010

The projected commodity price was provided by the Gas Supply Department and was based upon the following:

- A. The Gas Supply Department reviewed the NYMEX futures close prices for the quarter of May 2010 through July 2010 during the period March 16 through March 24, 2010 which are listed below:

		May-10 (\$/MMBTU)	Jun-10 (\$/MMBTU)	Jul-10 (\$/MMBTU)
Tuesday	03/16/10	4.418	4.493	4.587
Wednesday	03/17/10	4.371	4.443	4.533
Thursday	03/18/10	4.150	4.226	4.321
Friday	03/19/10	4.228	4.296	4.387
Monday	03/22/10	4.145	4.211	4.304
Tuesday	03/23/10	4.190	4.258	4.352
Wednesday	03/24/10	4.154	4.222	4.313
		<u>\$4.237</u>	<u>\$4.307</u>	<u>\$4.400</u>

- B. The Company believes prices will remain stable and prices for the quarter of May 2010 through July 2010 will settle at \$4.312 per MMBTU (**based on the average of the past seven days**) for the period that the GC is to become effective.

In support of Item B, a worksheet entitled "Estimated Weighted Average Cost of Gas" has been filed under a Petition for Confidentiality in this Case.

Atmos Energy Corporation  
Estimated Weighted Average Cost of Gas  
For the Quarter of May 2010 through July 2010

	May-10			June-10			July-10			Total		
	<u>Volumes</u>	<u>Rate</u>	<u>Value</u>									
Texas Gas												
Trunkline												
Tennessee Gas												
TX Gas Storage												
TN Gas Storage												
WKG Storage												
Midwestern												

(This information has been filed under a Petition for Confidentiality)

**Atmos Energy Corporation**  
**Correction Factor (CF)**  
**For the Three Months Ended January 2010**  
**Case No. 2010-00000**

Line No.	(1) Month	(2) Actual Purchased Volume (Mcf)	(3) Recoverable Gas Cost	(4) Actual GCA Recovered Gas Cost	(5) Under (Over) Recovery Amount	(6) Adjustments	(7) Total
1	November-09	1,444,704	\$7,648,045.54	\$8,930,550.58	(\$1,282,505.04)	\$35.40	(\$1,282,469.64)
2							
3	December-09	3,338,100	\$17,305,215.95	\$15,526,045.29	\$1,779,170.66	\$0.00	\$1,779,170.66
4							
5	January-10	4,235,188	\$22,790,614.30	\$24,271,233.20	(\$1,480,618.90)	\$0.00	(\$1,480,618.90)
6							
8							
9							
10							
11							
12							
13	Total Gas Cost						
14	Under/(Over) Recovery		<u>\$47,743,875.79</u>	<u>\$48,727,829.07</u>	<u>(\$983,953.28)</u>	<u>\$35.40</u>	<u>(\$983,917.88)</u>
15							
16	PBR Savings reflected in Gas Costs		<u>\$887,506.21</u>				
17							
18	Account Balance 1910 through October 2009 (November 2009 GL)						(\$15,011,474.49)
19	Total Gas Cost Under/(Over) Recovery for the three months ended January 2010						(983,917.88)
20	Recovery from outstanding Correction Factor (CF)						<u>7,796,874.71</u>
21	Account 191 Balance @ January 2010						<u>\$ (8,198,517.66)</u>
22	(February GL)						
23							
24							
25	Derivation of Correction Factor (CF):						
26							
27	Account 191 Balance					<u>(\$8,198,518)</u>	
28	Divided By: Total Expected Customer Sales					17,434,480	/MCF
29							
30	<b>Correction Factor (CF)</b>					<u><b>(\$0.4702)</b></u>	<b>/MCF</b>
31							
32							

Line No.	Description	GL Unit	Dec-09	Jan-10	Feb-10
			(1)	(2)	(3)
			Month		
			November-09	December-09	January-10
1	<b>Supply Volume</b>				
2	Pipelines:				
3	Texas Gas Transmission <sup>1</sup>	Mcf	0	0	0
4	Tennessee Gas Pipeline <sup>1</sup>	Mcf	0	0	0
5	Trunkline Gas Company <sup>1</sup>	Mcf	0	0	0
6	Midwestern Pipeline <sup>1</sup>	Mcf	0	0	0
7	<b>Total Pipeline Supply</b>	Mcf	0	0	0
8	Total Other Suppliers	Mcf	470,138	971,129	1,518,457
9	Off System Storage				
10	Texas Gas Transmission	Mcf	0	0	0
11	Tennessee Gas Pipeline	Mcf	0	0	0
12	System Storage				
13	Withdrawals	Mcf	958,639	1,607,955	1,684,556
14	Injections	Mcf	(3,905)	(813)	(15,314)
15	Producers	Mcf	41,299	4,625	5,357
16	Pipeline Imbalances cashed out	Mcf	0		0
17	System Imbalances <sup>2</sup>	Mcf	(21,467)	755,204	1,042,132
18	<b>Total Supply</b>	Mcf	1,444,704	3,338,100	4,235,188
19					
20	Change in Unbilled	Mcf			
21	Company Use	Mcf	0	0	0
22	Unaccounted For	Mcf	0	0	0
23	<b>Total Purchases</b>	Mcf	1,444,704	3,338,100	4,235,188

<sup>1</sup> Includes settlement of historical imbalances and prepaid items.

<sup>2</sup> Includes Texas Gas No-Notice Service volumes and monthly imbalances related to transportation customer activities.

**Atmos Energy Corporation**  
Recoverable Gas Cost Calculation  
For the Three Months Ended January, 2010  
Case No. 2010-00000

Line No.	Description	GL Unit	Dec-09	Jan-10	Feb-10
			(1)	(2)	(3)
			Month		
			November-09	December-09	January-10
1	<b>Supply Cost</b>				
2	Pipelines:				
3	Texas Gas Transmission <sup>1</sup>	\$	1,567,167	1,675,633	1,709,536
4	Tennessee Gas Pipeline <sup>1</sup>	\$	331,889	341,072	391,128
5	Trunkline Gas Company <sup>1</sup>	\$	30,141	31,608	1,848
6	Midwestern Pipeline <sup>1</sup>	\$	0	0	0
7	<b>Total Pipeline Supply</b>	\$	1,929,197	2,048,313	2,102,512
8	Total Other Suppliers	\$	1,555,571	4,567,330	9,011,986
9	Hedging Settlements	\$	113,890	393,588	24,912
10	Off System Storage				
11	Texas Gas Transmission	\$	0	0	0
12	Tennessee Gas Pipeline	\$	0	0	0
13	WKG Storage	\$	122,500	122,500	122,500
14	System Storage				
15	Withdrawals	\$	3,630,079	6,194,138	6,507,744
16	Injections	\$	(15,057)	(4,022)	(90,421)
17	Producers	\$	155,202	22,457	31,122
18	Pipeline Imbalances cashed out	\$	0	0	0
19	System Imbalances <sup>2</sup>	\$	156,663	3,960,913	5,080,261
20	<b>Sub-Total</b>	\$	7,648,046	17,305,216	22,790,614
21	Pipeline Refund + Interest				
22	Change in Unbilled	\$			
23	Company Use	\$	0	0	0
24	Recovered thru Transportation	\$	0	0	0
25	<b>Total Recoverable Gas Cost</b>	\$	7,648,046	17,305,216	22,790,614

<sup>1</sup> Includes demand charges, cost of settlement of historical imbalances and prepaid items.

<sup>2</sup> Includes Texas Gas No-Notice Service volumes and monthly imbalances related to transportation customer activities.

**Atmos Energy Corporation**

Recovery from Correction Factors (CF)  
 For the Three Months Ended January, 2010  
 Case No. 2010-00000

Line No.	Month	Type of Sales	Mcf Sold	CF Rate	CF Recoveries	PBR Rate	PBRRF Recoveries	GCA Rate	GCA Recoveries	Total Recoveries
1	November-09	G-1 Sales	1,255,537.0	(\$1.0679)	(\$1,340,787.96)	0.0906	\$113,751.65	\$7.0705	\$8,877,274.36	\$7,650,238.05
2		G-2 Sales	9,927.0	(1.0679)	(\$10,601.04)	0.0906	\$899.39	\$6.1702	61,251.58	\$51,549.92
6		Sub Total	1,265,464.0		(1,351,389.00)		\$114,651.04		8,938,525.93	\$7,701,787.97
7		Timing: Cycle Billing and PPA's			0.78		(\$0.23)		(7,975.35)	(\$7,974.80)
8		Total	1,265,464.0		(1,351,388.22)		\$114,650.81		8,930,550.58	\$7,693,813.17
9										
10										
11	December-09	G-1 Sales	2,183,817.0	(\$1.0679)	(\$2,332,098.17)	0.0906	\$197,853.82	\$7.0705	\$15,440,678.10	\$13,306,433.75
12		G-2 Sales	13,881.0	(1.0679)	(14,823.52)	0.0906	\$1,257.62	\$6.1702	85,648.55	\$72,082.64
16		Sub Total	2,197,698.0		(2,346,921.69)		\$199,111.44		15,526,326.64	\$13,378,516.39
17		Timing: Cycle Billing and PPA's			0.11		(\$0.17)		(281.35)	(\$281.41)
18		Total	2,197,698.0		(2,346,921.58)		\$199,111.27		15,526,045.29	\$13,378,234.98
19										
20										
21	January-10	G-1 Sales	3,823,251.0	(\$1.0679)	(\$4,082,849.74)	0.0906	\$346,386.54	\$6.3238	\$24,177,474.67	\$20,441,011.47
22		G-2 Sales	14,715.0	(1.0679)	(15,714.15)	0.0906	\$1,333.18	\$5.4235	79,806.80	\$65,425.83
26		Sub Total	3,837,966.0		(4,098,563.89)		\$347,719.72		24,257,281.48	\$20,506,437.31
27		Timing: Cycle Billing and PPA's			(\$1.02)		\$0.24		\$13,951.72	\$13,950.94
28		Total	3,837,966.0		(4,098,564.91)		\$347,719.96		24,271,233.20	\$20,520,388.25
29										
30										
31	Total Recovery from Correction Factor (CF)					<u>(\$7,796,874.71)</u>				
32	Total Recovery from Performance Based Rate Recovery Factor (PBRRF)						<u>\$661,482.04</u>			
33	Total Recoveries from Expected Gas Cost (EGC) Factor							<u>\$48,727,829.07</u>		
34	Total Recoveries from Gas Cost Adjustment Factor (GCA)								<u>\$41,592,436.40</u>	

35  
 36  
 37 **NOTE: The cycle billing is a result of customers being billed by the meter read date.**  
 38 **The prior period adjustments (PPA's) consist of billing revisions/adjustments.**  
 39

Description	November, 2009		December, 2009		January, 2010	
	MCF	Cost	MCF	Cost	MCF	Cost
<b>1 Texas Gas Pipeline Area</b>						
2 LG&E Natural						
3 Texaco Gas Marketing						
4 CMS						
5 WESCO						
6 Southern Energy Company						
7 Union Pacific Fuels						
8 Atmos Energy Marketing, LLC						
9 Engage						
10 ERI						
11 Prepaid						
12 Reservation						
13 Hedging Costs - All Zones						
14						
15 <b>Total</b>	263,785	\$768,149.00	683,354	\$3,141,738.50	1,105,009	\$6,522,616.11
16						
17						
<b>18 Tennessee Gas Pipeline Area</b>						
19 Atmos Energy Marketing, LLC						
20 Union Pacific Fuels						
21 WESCO						
22 Prepaid						
23 Reservation						
24 Fuel Adjustment						
25						
26 <b>Total</b>	118,069	\$441,632.24	165,662	\$823,178.41	291,574	\$1,767,232.16
27						
28						
<b>29 Trunkline Gas Company</b>						
30 Atmos Energy Marketing, LLC						
31 Engage						
32 Prepaid						
33 Reservation						
34 Fuel Adjustment						
35						
36 <b>Total</b>	88,284	\$345,790.04	122,113	\$602,412.75	121,874	\$722,137.35
37						
38						
<b>39 Midwestern Pipeline</b>						
40 Atmos Energy Marketing, LLC						
41 LG&E Natural						
42 Anadarko						
43 Prepaid						
44 Reservation						
45 Fuel Adjustment						
46						
47 <b>Total</b>	0	\$0.00	0	\$0.00	0	\$0.00
48						
49						
<b>50 All Zones</b>						
51 <b>Total</b>	470,138	\$1,555,571.28	971,129	\$4,567,329.66	1,518,457	\$9,011,985.62

Atmos Energy Corporation  
 Refund Factor  
 Case No. 2010-00000  
 (RF)

Line No.	Amounts Reported:				AMOUNT
1	Tennessee Gas Pipeline PCB/HSL Refund, Docket Nos. RP91-203 & RP92-132				\$ 178,232.72
2	Less: amount related to specific end users				0.00
3	Amount to flow-through				<u>\$ 178,232.72</u>
4					
5	Average of the 3-Month Commercial Paper Rates for the immediately				0.30%
6	preceding 12-month period less 1/2 of 1% to cover the costs of refunding.				
7					
8					
9	<b>Allocation</b>	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	
10		<b>Demand</b>	<b>Commodity</b>	<b>Total</b>	
11	Balance to be Refunded	\$0	\$ 178,233	\$178,233	
12		0	0	0	
13					
14	Total (w/o interest)	0	178,233	178,233	
15	Interest (Line 20 x Line 12)	0	535	535	
16	Total	<u>\$0</u>	<u>\$178,767</u>	<u>\$178,767</u>	
17					
18	<b>Refund Calculation</b>				
19					
20	Demand Allocator - All				
21	(See Exh. B, p. 8, line 12)	0.1809			
22	Demand Allocator - Firm				
23	(1 - Demand Allocator - All)	0.8191			
24	Firm Volumes (normalized)				
25	(See Exh. B, p. 6, col. 3, line 28)	17,263,240			
26	All Volumes (excluding Transportation)				
27	(See Exh. B, p. 6, col. 2, line 28)	17,434,480			
28					
29	Demand Factor - All	\$0	\$0.0000 / MCF		
30	Demand Factor - Firm	\$0	\$0.0000 / MCF		
31	Commodity Factor	\$178,767	\$ 0.0102 / MCF		
32	Total Demand Firm Factor				
33	(Col. 2, lines 29 - 30)		<b>\$0.0000 / MCF</b>		
34	Total Demand Interruptible Factor				
35	(Col. 2, line 29)		<b>\$0.0000 / MCF</b>		
36	Total Firm Sales Factor				
37	(Col. 2, line 31 + col. 1, line 33)			<b>\$ 0.0102 / MCF</b>	
38	Total Interruptible Sales Factor				
39	(Col. 2, line 31 + col. 1, line 35)			<b>\$ 0.0102 / MCF</b>	
40					
41					

**COMMONWEALTH OF KENTUCKY  
BEFORE THE  
KENTUCKY PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>GAS COST ADJUSTMENT</b>	)	<b>CASE NO.</b>
<b>FILING OF</b>	)	<b>2010-00000</b>
<b>ATMOS ENERGY CORPORATION</b>	)	<b>2010 - 00135</b>

**PETITION FOR CONFIDENTIALITY OF INFORMATION  
BEING FILED WITH THE KENTUCKY PUBLIC SERVICE COMMISSION**

Atmos Energy Corporation ("Atmos") respectfully petitions the Kentucky Public Service Commission ("Commission") pursuant to 807 KAR 5:001 Section 7 and all other applicable law, for confidential treatment of the information which is described below and which is attached hereto. In support of this Petition, Atmos states as follows:

1. Atmos is filing its Gas Cost Adjustment ("GCA") for the quarterly period commencing on May 1, 2010 through July 31, 2010. This GCA filing also contains Atmos' quarterly Correction Factor (CF) as well as information pertaining to Atmos' projected gas prices. The following two attachments contain information which requires confidential treatment.
  - a. The attached Exhibit D, Page 5 of 5 contains confidential information from which the actual price being paid by Atmos for natural gas to its supplier can be determined.
  - b. The attached Weighted Average Cost of Gas ("WACOG") schedule in support of Exhibit C, Page 2 of 2 contains confidential information pertaining to prices projected to be paid by Atmos for purchase contracts.

2. Information of the type described above has previously been filed by Atmos with the Commission under petitions for confidentiality. The Commission has consistently granted confidential protection to that type of information in each of the prior GCA filings in KPSC Case No. 1999-070. The information contained in the attached WACOG schedule has also been filed with the Commission under a Petition for Confidentiality in Case No. 97-513.

3. All of the information sought to be protected herein as confidential, if publicly disclosed, would have serious adverse consequences to Atmos and its customers. Public disclosure of this information would impose an unfair commercial disadvantage on Atmos. Atmos has successfully negotiated an extremely advantageous gas supply contract that is very beneficial to Atmos and its ratepayers. Detailed information concerning that contract, including commodity costs, demand and transportation charges, reservations fees, etc. on specifically identified pipelines, if made available to Atmos' competitors, (including specifically non-regulated gas marketers), would clearly put Atmos to an unfair commercial disadvantage. Those competitors for gas supply would be able to gain information that is otherwise confidential about Atmos' gas purchases and transportation costs and strategies. The Commission has accordingly granted confidential protection to such information.

4. Likewise, the information contained in the WACOG schedule in support of Exhibit C, Page 2 of 2, also constitutes sensitive, proprietary information which if publicly disclosed would put Atmos to an unfair commercial disadvantage in future negotiations.

5. Atmos would not, as a matter of company policy, disclose any of the information for which confidential protection is sought herein to any person or entity, except as required by law or pursuant to a court order or subpoena. Atmos' internal practices and policies are directed towards non-disclosure of the attached information. In fact, the information contained in the

attached report is not disclosed to any personnel of Atmos except those who need to know in order to discharge their responsibility. Atmos has never disclosed such information publicly. This information is not customarily disclosed to the public and is generally recognized as confidential and proprietary in the industry.

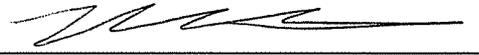
6. There is no significant interest in public disclosure of the attached information. Any public interest in favor of disclosure of the information is out weighed by the competitive interest in keeping the information confidential.

7. The attached information is also entitled to confidential treatment because it constitutes a trade secret under the two prong test of KRS 265.880: (a) the economic value of the information as derived by not being readily ascertainable by other persons who might obtain economic value by its disclosure; and, (b) the information is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. The economic value of the information is derived by Atmos maintaining the confidentiality of the information since competitors and entities with whom Atmos transacts business could obtain economic value by its disclosure.

8. Pursuant to 807 KAR 5:001 Section 7(3) temporary confidentiality of the attached information should be maintained until the Commission enters an order as to this petition. Once the order regarding confidentiality has been issued, Atmos would have twenty (20) days to seek alternative remedies pursuant to 807 KAR 5:001 Section 7(4).

WHEREFORE, Atmos petitions the Commission to treat as confidential all of the material and information which is included in the attached one volume marked "Confidential".

Respectfully submitted this 29<sup>th</sup> day of March, 2010.



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