



June 28, 2009

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

Re: Case No. 2010-00000

Dear Mr. Derouen:

2010-00057

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

RECEIVED

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PUBLIC SERVICE
COMMISSION

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PUBLIC SERVICE
COMMISSION

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

In the Matter of:

**GAS COST ADJUSTMENT)
FILING OF)
ATMOS ENERGY CORPORATION)**

Case No. 2010-00000

NOTICE

QUARTERLY FILING

For The Period

August 1, 2010 – October 31, 2010

Attorney for Applicant

Mark R. Hutchinson
611 Frederica Street
Owensboro, Kentucky 42301

June 28, 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 Forty-First Revised Sheet No. 4, Forty-First Revised Sheet No. 5 and Forty-First Revised Sheet No. 6 to its PSC No. 1, Rates, Rules and Regulations for Furnishing Natural Gas to become effective August 1, 2010.

The Gas Cost Adjustment (GCA) for firm sales service is \$5.3291 per Mcf and \$4.3579 per Mcf for interruptible sales service. The supporting calculations for the Forty-First 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: Some of the tariff revision numbers changed for Tennessee Pipeline but there were no changes to the pricing and the tariff pages 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. 2009-00354, 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 August 1, 2010 through October 31, 2010, as shown in Exhibit C, page 1 of 2.
2. The G-1 Expected Commodity Gas Cost will be approximately \$6.6338 per Mcf for the quarter August 1, 2010 through October 31, 2010, as compared to \$5.8487 per

Mcf used for the period of May 1, 2010 through July 31, 2010. The G-2 Expected Commodity Gas Cost will be approximately \$5.6626 for the quarter August 1, 2010 through October 31, 2010, as compared to \$4.8775 for the period May 1, 2010 through July 31, 2010.

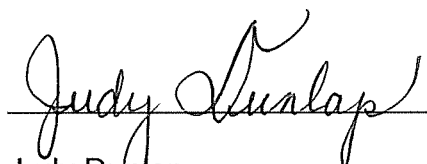
3. The Company's notice sets out a new Correction Factor of (\$1.4210) per Mcf which will remain in effect until at least October 31, 2010.
4. The Company's notice also sets out a new Refund Factor of (\$.0135) per Mcf which will remain in effect until at least October 31, 2010.

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 April 30, 2010 (May 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 Forty-First Revised Sheet No. 5; and Forty-First Revised Sheet No. 6 setting out the General Transportation Tariff Rate T-3 and T-4 for each respective sales rate for meter readings made on and after August 1, 2010.

DATED at Dallas, Texas this 28th Day of June, 2010.

ATMOS ENERGY CORPORATION

By: 

Judy Dunlap
Rate Analyst, Rate Administration
Atmos Energy Corporation

ATMOS ENERGY CORPORATION

Current Rate Summary					
Case No. 2010-00000					
<u>Firm Service</u>					
Base Charge:					
	Residential (G-1)		-	\$12.50	per meter per month
	Non-Residential (G-1)		-	30.00	per meter per month
	Transportation (T-4)		-	300.00	per delivery point per month
	Transportation Administration Fee		-	50.00	per customer per meter
<u>Rate per Mcf</u>²		<u>Sales (G-1)</u>		<u>Transportation (T-4)</u>	
First	300 ¹ Mcf	@	6.4291	per Mcf	@ 1.1000 per Mcf
Next	14,700 ¹ Mcf	@	6.0991	per Mcf	@ 0.7700 per Mcf
Over	15,000 Mcf	@	5.8291	per Mcf	@ 0.5000 per Mcf
					(R, N)
					(R, N)
					(R, N)
<u>Interruptible Service</u>					
Base Charge					
			-	\$300.00	per delivery point per month
			-	50.00	per customer per meter
<u>Rate per Mcf</u>²		<u>Sales (G-2)</u>		<u>Transportation (T-3)</u>	
First	15,000 ¹ Mcf	@	4.9879	per Mcf	@ 0.6300 per Mcf
Over	15,000 Mcf	@	4.7679	per Mcf	@ 0.4100 per Mcf
					(R, N)
					(R, N)
¹ All gas consumed by the customer (sales, transportation; firm and interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.					
² DSM, PRP and R&D Riders may also apply, where applicable.					

ISSUED: June 28, 2010

Effective: August 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

Current Gas Cost Adjustments			
Case No. 2010-00000			
<u>Applicable</u>			
For all Mcf billed under General Sales Service (G-1) and Interruptible Sales Service (G-2).			
Gas Charge = GCA			
GCA = EGC + CF + RF + PBRRF			
<u>Gas Cost Adjustment Components</u>	<u>G - 1</u>	<u>G-2</u>	
EGC (Expected Gas Cost Component)	6.6338	5.6626	(I, I)
CF (Correction Factor)	(1.4210)	(1.4210)	(R, R)
RF (Refund Adjustment)	(0.0135)	(0.0135)	(R, R)
PBRRF (Performance Based Rate Recovery Factor)	<u>0.1298</u>	<u>0.1298</u>	(N, N)
GCA (Gas Cost Adjustment)	<u><u>\$5.3291</u></u>	<u><u>\$4.3579</u></u>	(R, R)

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ATMOS ENERGY CORPORATION

Current Transportation

Case No. 2010-00000

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

System Lost and Unaccounted gas percentage:

3.45%

<u>Transportation Service</u> ¹	<u>Simple Margin</u>	<u>Non- Commodity</u>	<u>Gross Margin</u>	
<u>Firm Service (T-4)</u>				
First 300 Mcf @	\$1.1000 +	\$0.0000 =	\$1.1000	per Mcf (N)
Next 14,700 Mcf @	0.7700 +	0.0000 =	0.7700	per Mcf (N)
All over 15,000 Mcf @	0.5000 +	0.0000 =	0.5000	per Mcf (N)
<u>Interruptible Service (T-3)</u>				
First 15,000 Mcf @	\$0.6300 +	\$0.0000 =	\$0.6300	per Mcf (N)
All over 15,000 Mcf @	0.4100 +	0.0000 =	0.4100	per Mcf (N)

¹ Excludes standby sales service.

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

Line No.	Description	Case No.		Difference
		(a) 2009-00354	(b) 2010-00000	
		\$/Mcf	\$/Mcf	\$/Mcf
1	<u>G - 1</u>			
2				
3	<u>Distribution Charge (per Case No. 09-00354)</u>			
4	First 300 Mcf	1.1000	1.1000	0.0000
5	Next 14,700 Mcf	0.7700	0.7700	0.0000
6	Over 15,000 Mcf	0.5000	0.5000	0.0000
7				
8	<u>Gas Cost Adjustment Components</u>			
9	EGC (Expected Gas Cost):			
10	Commodity	4.6651	5.4502	0.7851
11	Demand	1.1836	1.1836	0.0000
12	Total EGC	5.8487	6.6338	0.7851
13	CF (Correction Factor)	(0.4702)	(1.4210)	(0.9508)
14	RF (Refund Adjustment)	(0.0102)	(0.0135)	(0.0033)
15	PBRRF (Performance Based Rate Recovery Factor)	0.1298	0.1298	0.0000
16	GCA (Gas Cost Adjustment)	5.4981	5.3291	(0.1690)
17				
18	<u>Rate per Mcf (GCA included)</u>			
19	First 300 Mcf	6.5981	6.4291	(0.1690)
20	Next 14,700 Mcf	6.2681	6.0991	(0.1690)
21	Over 15,000 Mcf	5.9981	5.8291	(0.1690)
22				
23				
24	<u>G - 2</u>			
25				
26	<u>Distribution Charge (per Case No. 09-00354)</u>			
27	First 15,000 Mcf	0.6300	0.6300	0.0000
28	Over 15,000 Mcf	0.4100	0.4100	0.0000
29				
30	<u>Gas Cost Adjustment Components</u>			
31	EGC (Expected Gas Cost):			
32	Commodity	4.6651	5.4502	0.7851
33	Demand	0.2124	0.2124	0.0000
34	Total EGC	4.8775	5.6626	0.7851
35	CF (Correction Factor)	(0.4702)	(1.4210)	(0.9508)
36	RF (Refund Adjustment)	(0.0102)	(0.0135)	(0.0033)
37	PBRRF (Performance Based Rate Recovery Factor)	0.1298	0.1298	0.0000
38	GCA (Gas Cost Adjustment)	4.5269	4.3579	(0.1690)
39				
40	<u>Rate per Mcf (GCA included)</u>			
41	First 300 Mcf	5.1569	4.9879	(0.1690)
42	Over 14,700 Mcf	4.9369	4.7679	(0.1690)
43				
44				
45	<u>Refund Factor (RF)</u>			
46				
47		Effective		
48		Date	RF	
49				
50	1 - 2010-00135	5/1/2010	(\$0.0102)	
51	2 - 2010-00000	8/1/2010	(0.0033)	
52	3 -		0.0000	
53	4 -		0.0000	
54				
55	Total Refund Factor (RF)		(\$0.0135)	

Atmos Energy Corporation
 Comparison of Current and Previous Cases
 Transportation Service

Line No.	Description	(a)	(b)	(c)
		Case No.		Difference
		2009-00354	2010-00000	
		\$/Mcf	\$/Mcf	\$/Mcf
1	<u>T -4 Transportation Service / Firm Service (High Priority)</u>			
2				
3	<u>Simple Margin / Distribution Charge (per Case No. 09-00354)</u>			
4	First 300 Mcf	1.1000	1.1000	0.0000
5	Next 14,700 Mcf	0.7700	0.7700	0.0000
6	Over 15,000 Mcf	0.5000	0.5000	0.0000
7				
8				
9	<u>T - 3 / Interruptible Service (Low Priority)</u>			
10				
11	<u>Simple Margin / Distribution Charge (per Case No. 09-00354)</u>			
12	First 15,000 Mcf	0.6300	0.6300	0.0000
13	Over 15,000 Mcf	0.4100	0.4100	0.0000
14				

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

Line No.	Description	(a) Tariff Sheet No.	(b) Annual Units MMbtu	(c) Rate \$/MMbtu	(d) (e) Non-Commodity	
					Total \$	Demand \$
1	<u>SL to Zone 2</u>					
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	<u>SL to Zone 3</u>					
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
13						
14	Total SL to Zone 3		<u>32,955,375</u>		<u>11,101,762</u>	<u>11,101,762</u>
15						
16	<u>Zone 1 to Zone 3</u>					
17	FT Contract #	21793/29761	1,095,000			
18	Base Rate	21		0.2194	240,243	240,243
19						
20	Total Zone 1 to Zone 3		<u>1,095,000</u>		<u>240,243</u>	<u>240,243</u>
21						
22	<u>SL to Zone 4</u>					
23	NNS Contract #	N000435/29763	3,320,769			
24	Base Rate	26		0.4190	1,391,402	1,391,402
25						
26	FT Contract #	003819/29765	1,277,500			
27	Base Rate	21		0.3142	401,393	401,393
28						
29	Total SL to Zone 4		<u>4,598,269</u>		<u>1,792,795</u>	<u>1,792,795</u>
30						
31	Total SL to Zone 2		12,617,673		3,896,336	3,896,336
32	Total SL to Zone 3		32,955,375		11,101,762	11,101,762
33	Total Zone 1 to Zone 3		1,095,000		240,243	240,243
34						
35	Total Texas Gas		<u>51,266,317</u>		<u>17,031,136</u>	<u>17,031,136</u>
36						
37						
38	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	(a) Tariff Sheet No.	(b) Annual Units MMbtu	(c) Rate \$/MMbtu	(d) (e) Non-Commodity	
				Total \$	Demand \$
1 0 to Zone 2					
2 FT-G Contract # 2546.1		12,844	9.0600		
3 Base Rate	23		9.0600	116,367	116,367
4					
5 FT-G Contract # 2548.1		4,363	9.0600		
6 Base Rate	23		9.0600	39,529	39,529
7					
8 FT-G Contract # 2550.1		5,739	9.0600		
9 Base Rate	23		9.0600	51,995	51,995
10					
11 FT-G Contract # 2551.1		8,085	9.0600		
12 Base Rate	23		9.0600	73,250	73,250
13					
14 Total Zone 0 to 2		<u>31,031</u>		<u>281,141</u>	<u>281,141</u>
15					
16 1 to Zone 2					
17 FT-G Contract # 2546		114,156	7.6200		
18 Base Rate	23		7.6200	869,869	869,869
19					
20 FT-G Contract # 2548		44,997	7.6200		
21 Base Rate	23		7.6200	342,877	342,877
22					
23 FT-G Contract # 2550		59,741	7.6200		
24 Base Rate	23		7.6200	455,226	455,226
25					
26 FT-G Contract # 2551		81,920	7.6200		
27 Base Rate	23		7.6200	624,230	624,230
28					
29 Total Zone 1 to 2 and Zone 0 to 2		<u>331,845</u>		<u>2,573,344</u>	<u>2,573,343</u>
30					
31 Gas Storage					
32 Production Area:					
33 Demand	61	34,968	2.0200	70,635	70,635
34 Space Charge	61	4,916,148	0.0248	121,920	121,920
35 Market Area:					
36 Demand	61	237,408	1.1500	273,019	273,019
37 Space Charge	61	10,846,308	0.0185	200,657	200,657
38 Total Storage		<u>16,034,832</u>		<u>666,231</u>	<u>666,231</u>
39					
40 Total Tennessee Gas Area FT-G Non-Commodity				<u>3,239,575</u>	<u>3,239,574</u>

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

Line No.	Description	(a)	(b)	(c)	(d)	(e)	(f)
		Tariff Sheet No.			Purchases	Rate	Total
				Mcf	MMbtu	\$/MMbtu	\$
1	<u>No Notice Service</u>				3,556,255		
2	Indexed Gas Cost					4.9960	17,767,050
3	Commodity (Zone 3)	26				0.0509	181,013
4	Fuel and Loss Retention @	36	1.33%			0.0673	239,336
5						5.1142	18,187,399
6							
7	<u>Firm Transportation</u>				2,001,062		
8	Indexed Gas Cost					4.9960	9,997,306
9	Base (Weighted on MDQs)					0.0440	88,047
10	ACA	22				0.0019	3,802
11	Fuel and Loss Retention @	36	1.33%			0.0673	134,671
12						5.1092	10,223,826
13	<u>No Notice Storage</u>						
14	Net (Injections)/Withdrawals						
15	Withdrawals				0	0.0000	0
16	Injections				(1,403,942)	4.9960	(7,014,094)
17	Commodity (Zone 3)	26				0.0509	(71,461)
18	Fuel and Loss Retention @	36	1.33%			0.0000	0
19					(1,403,942)	5.0469	(7,085,555)
20							
21							
22	Total Purchases in Texas Area				<u>4,153,375</u>	<u>5.1345</u>	<u>21,325,670</u>

Used to allocate transportation non-commodity

		Annualized MDQs in MMbtu	Allocation	Commodity Charge \$/MMbtu	Weighted Average
29	<u>Texas Gas</u>				
30	SL to Zone 2	12,617,673	24.61%	\$0.0399	\$ 0.0098
31	SL to Zone 3	32,955,375	64.28%	0.0445	\$ 0.0286
32	1 to Zone 3	1,095,000	2.14%	0.0422	\$ 0.0009
33	SL to Zone 4	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	31,031	9.35%	\$0.0880	\$ 0.0082
38	1 to Zone 2	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.	(a)	(b)	(c)	(d)	(e)	(f)	
									Purchases
						Mcf	MMbtu	\$/MMbtu	\$
1	<u>FT-A and FT-G</u>					695,231			
2	Indexed Gas Cost							4.9960	3,473,374
3	Base Commodity (Weighted on MDQs)							0.0786	54,626
4	ACA	24						0.0019	1,321
5	Fuel and Loss Retention	32	4.43%					0.2316	161,015
6								5.3081	3,690,336
7									
8	<u>FT-GS</u>					36,900			
9	Indexed Gas Cost							4.9960	184,352
10	Base Rate	26						0.5844	21,564
11	ACA	24						0.0019	70
12	Fuel and Loss Retention	32	4.43%					0.2316	8,546
13								5.8139	214,532
14									
15	<u>Gas Storage</u>								
16	FT-A & FT-G Market Area Withdrawals					0		0.0000	-
17	FT-A & FT-G Market Area Injections					(467,251)		4.9960	(2,334,386)
18	Withdrawal Rate	61						0.0102	0
19	Injection Rate	61						0.0102	(4,766)
20	Fuel and Loss Retention	61	1.49%					0.0000	0
21	Total					(467,251)		5.0062	(2,339,152)
22									
23									
24									
25	Total Tennessee Gas Zones					264,880		5.9110	1,565,716

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

Commodity							
	(a)	(b)	(c)	(d)	(e)	(f)	
Line No.	Description	Tariff Sheet No.		Purchases	Rate	Total	
				Mcf	MMbtu	\$/MMbtu	\$
1	<u>Firm Transportation</u>						
2	Expected Volumes				92,000		
3	Indexed Gas Cost					4.9960	459,632
4	Base Commodity	10				0.0130	1,196
6	ACA	10				0.0019	175
7	Fuel and Loss Retention	10	1.93%			0.0983	9,044
8						<u>5.1092</u>	<u>470,047</u>
9							
10							

Non-Commodity

Non-Commodity						
	(a)	(b)	(c)	(d)	(e)	
Line No.	Description	Tariff Sheet No.	Annual Units	Rate	Total	Demand
			MMbtu	\$/MMbtu	\$	\$
	Injections					
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.	(a)	(b)	(c)	(d)	(e)
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				<u>Monthly Demand Charge</u>	
9	<u>Demand Cost Allocation:</u>	<u>Factors</u>	<u>Allocated Demand</u>	<u>Related Volumes</u>	<u>Firm Interruptible</u>
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		<u>Annualized</u>	<u>Monthly Demand Charge</u>		
16		<u>Mcf @14.65</u>	<u>All</u>	<u>Firm</u>	
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>Transportation 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

	(a)	(b)	(c)	(d)
Line				
No. Description	Purchases		Rate	Total
	Mcf	MMbtu	\$/Mcf	\$
1 Texas Gas Area				
2 No Notice Service	3,554,123	3,556,255	5.1173	18,187,399
3 Firm Transportation	1,999,862	2,001,062	5.1123	10,223,826
4 No Notice Storage	(1,395,569)	(1,403,942)	5.0772	(7,085,555)
5 Total Texas Gas Area	4,158,416	4,153,375	5.1283	21,325,670
6				
7 Tennessee Gas Area				
8 FT-A and FT-G	680,865	695,231	5.4201	3,690,336
9 FT-GS	36,137	36,900	5.9366	214,532
10 Gas Storage				
11 Injections	(457,596)	(467,251)	5.1118	(2,339,152)
12 Withdrawals	0	0	0.0000	0
13	259,406	264,880	6.0358	1,565,716
14 Trunkline Gas Area				
15 Firm Transportation	90,730	92,000	5.1807	470,047
16				
17				
18 WKG System Storage				
19 Injections	(2,325,025)	(2,338,975)	5.0772	(11,804,574)
20 Withdrawals	0	0	0.0000	0
21 Net WKG Storage	(2,325,025)	(2,338,975)	5.0772	(11,804,574)
22				
23				
24 Local Production	250,667	256,432	4.9960	1,252,332
25				
26				
27				
28 Total Commodity Purchases	2,434,194	2,427,712	5.2622	12,809,191
29				
30 Lost & Unaccounted for @ 3.45%	83,980	83,756		
31				
32 Total Deliveries	2,350,214	2,343,956	5.4502	12,809,191
33				
34				
35				
36 Total Expected Commodity Cost	2,350,214	2,343,956	5.4502	12,809,191
37				
38				
39 Note: Column (c) is calculated by dividing column (d) by column (a)				

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><u>264,079</u></u> Mcf/Peak Day
10		
11		
12	New Load Factor (line 5 / line 9)	0.1809

Basis for Indexed Gas Cost
For the Quarter of August 2010 through October 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 August 2010 through October 2010 during the period June 16 through June 24, 2010

	Aug-10 (\$/MMBTU)	Sep-10 (\$/MMBTU)	Oct-10 (\$/MMBTU)
Wednesday	5.031	5.071	5.138
Thursday	5.212	5.241	5.299
Friday	5.049	5.081	5.144
Monday	4.910	4.944	5.010
Tuesday	4.794	4.837	4.907
Wednesday	4.853	4.895	4.968
Thursday	4.793	4.834	4.913
	<u>\$4.949</u>	<u>\$4.986</u>	<u>\$5.054</u>

- B. The Company believes prices will remain stable and prices for the quarter of August 2010 through October 2010 will settle at \$4.996 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 August 2010 through October 2010

	August-10		September-10		October-10		Total	
	Volumes	Rate	Volumes	Rate	Volumes	Rate	Volumes	Rate

Texas Gas
Trunkline
Tennessee Gas
TX Gas Storage
TN Gas Storage
WKG Storage
Midwestern

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

Line No.	(a) Month	(b) Actual Purchased Volume (Mcf)	(c) Recoverable Gas Cost	(d) Actual GCA Recovered Gas Cost	(e) Under (Over) Recovery Amount	(f) Adjustments	(g) Total
1	February-10	3,616,814	\$15,387,335.05	\$23,791,402.31	(\$8,404,067.26)	\$0.00	(\$8,404,067.26)
2							
3	March-10	1,948,426	\$11,688,565.15	\$20,869,769.16	(\$9,181,204.01)	\$0.00	(\$9,181,204.01)
4							
5	April-10	650,159	\$3,016,979.06	\$7,963,788.94	(\$4,946,809.88)	\$0.90	(\$4,946,808.98)
6							
8							
9							
10							
11							
12							
13	Total Gas Cost						
14	Under/(Over) Recovery		<u>\$30,092,879.26</u>	<u>\$52,624,960.41</u>	<u>(\$22,532,081.15)</u>	<u>\$0.90</u>	<u>(\$22,532,080.25)</u>
15							
16	PBR Savings reflected in Gas Costs		<u>\$876,241.39</u>				
17							
18	Account Balance 1910 through January 2010 (February 2010 GL)						(\$8,198,517.66)
19	Total Gas Cost Under/(Over) Recovery for the three months ended April 2010						(22,532,080.25)
20	Recovery from outstanding Correction Factor (CF)						5,956,105.52
21	Account 191 Balance @ April 2010						<u>\$(24,774,492.39)</u>
22	(May GL)						
23							
24							
25	Derivation of Correction Factor (CF):						
26							
27	Account 191 Balance					<u>(\$24,774,492)</u>	
28	Divided By: Total Expected Customer Sales					17,434,480	/MCF
29							
30	Correction Factor (CF)					<u>(\$1.4210)</u>	/MCF
31							
32							

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

Line No.	Description	GL Unit	Mar-10	Apr-10	May-10
			(a)	(b)	(c)
			Month		
			February-10	March-10	April-10
1	Supply Volume				
2	Pipelines:				
3	Texas Gas Transmission ¹	Mcf	0	0	0
4	Tennessee Gas Pipeline ¹	Mcf	0	0	0
5	Trunkline Gas Company ¹	Mcf	0	0	0
6	Midwestern Pipeline ¹	Mcf	0	0	0
7	Total Pipeline Supply	Mcf	0	0	0
8	Total Other Suppliers	Mcf	721,075	731,146	2,458,590
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	1,682,278	1,351,554	112
14	Injections	Mcf	(10,733)	(377,638)	(933,419)
15	Producers	Mcf	6,078	15,569	41,514
16	Pipeline Imbalances cashed out	Mcf	0		0
17	System Imbalances ²	Mcf	1,218,116	227,795	(916,638)
18	Total Supply	Mcf	3,616,814	1,948,426	650,159
19					
20	Change in Unbilled	Mcf			
21	Company Use	Mcf	0	0	0
22	Unaccounted For	Mcf	0	0	0
23	Total Purchases	Mcf	3,616,814	1,948,426	650,159

¹ Includes settlement of historical imbalances and prepaid items.

² 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 April, 2010
Case No. 2010-00000

Exhibit D
Page 3 of 5

Line No.	Description	GL Unit	Mar-10	Apr-10	May-10
			(a)	(b)	(c)
			February-10	Month March-10	April-10
1	Supply Cost				
2	Pipelines:				
3	Texas Gas Transmission ¹	\$	1,543,295	1,640,103	1,476,176
4	Tennessee Gas Pipeline ¹	\$	321,652	344,629	313,086
5	Trunkline Gas Company ¹	\$	28,549	30,915	7,647
6	Midwestern Pipeline ¹	\$	0	0	0
7	Total Pipeline Supply	\$	1,893,495	2,015,647	1,796,909
8	Total Other Suppliers	\$	3,646,616	3,169,229	9,428,863
9	Hedging Settlements	\$	205,342	329,792	0
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	\$	6,643,256	3,798,010	503
16	Injections	\$	(58,877)	(84,070)	(3,645,485)
17	Producers	\$	31,864	69,382	157,515
18	Pipeline Imbalances cashed out	\$	0	0	0
19	System Imbalances ²	\$	2,903,138	2,268,075	(4,843,827)
20	Sub-Total	\$	15,387,335	11,688,565	3,016,979
21	Pipeline Refund + Interest				
22	Change in Unbilled	\$			
23	Company Use	\$	0	0	0
24	Recovered thru Transportation	\$	0	0	0
25	Total Recoverable Gas Cost	\$	<u>15,387,335</u>	<u>11,688,565</u>	<u>3,016,979</u>

¹ Includes demand charges, cost of settlement of historical imbalances and prepaid items.

² 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 April, 2010
Case No. 2010-000000

Line No.	Month	Type of Sales	(a) Mcf Sold	(b) CF Rate	(c) CF Recoveries	(d) PBR Rate	(e) PBRRF Recoveries	(f) GCA Rate	(g) GCA Recoveries	(h) Total Recoveries
1	February-10	G-1 Sales	3,319,061.0	(\$0.8088)	(\$2,684,456.54)	0.1298	\$430,814.12	\$7.1655	\$23,782,731.60	\$21,529,089.17
2		G-2 Sales	8,388.0	(0.8088)	(\$6,784.21)	0.1298	\$1,088.76	\$6.2652	52,552.50	\$46,857.05
6		Sub Total	3,327,449.0		(2,691,240.75)		\$431,902.88		23,835,284.09	\$21,575,946.22
7		Timing: Cycle Billing and PPA's		0.44	(\$0.05)		(\$0.05)		(43,881.78)	(\$43,881.39)
8		Total	3,327,449.0		(2,691,240.31)		\$431,902.83		23,791,402.31	\$21,532,064.83
9										
10										
11	March-10	G-1 Sales	2,909,043.0	(\$0.8088)	(\$2,352,833.98)	0.1298	\$377,593.78	\$7.1655	\$20,844,747.62	\$18,869,507.42
12		G-2 Sales	13,806.0	(0.8088)	(11,166.29)	0.1298	\$1,792.02	\$6.2652	86,497.35	\$77,123.08
16		Sub Total	2,922,849.0		(2,364,000.27)		\$379,385.80		20,931,244.97	\$18,946,630.50
17		Timing: Cycle Billing and PPA's			0.86		(\$0.49)		(61,475.81)	(\$61,475.44)
18		Total	2,922,849.0		(2,363,999.41)		\$379,385.31		20,869,769.16	\$18,885,155.06
19										
20										
21	April-10	G-1 Sales	1,096,325.0	(\$0.8088)	(\$886,707.66)	0.1298	\$142,302.99	\$7.1655	\$7,855,716.79	\$7,111,312.11
22		G-2 Sales	17,488.0	(0.8088)	(14,144.29)	0.1298	\$2,269.94	\$6.2652	109,565.82	\$97,691.47
26		Sub Total	1,113,813.0		(900,851.95)		\$144,572.93		7,965,282.61	\$7,209,003.58
27		Timing: Cycle Billing and PPA's			(\$13.85)		(\$1.65)		(\$1,493.67)	(\$1,509.16)
28		Total	1,113,813.0		(900,865.80)		\$144,571.28		7,963,788.94	\$7,207,494.42
29										
30										
31		Total Recovery from Correction Factor (CF)			(\$5,956,105.52)					
32		Total Recovery from Performance Based Rate Recovery Factor (PBRRF)					\$955,859.42			
33		Total Recoveries from Expected Gas Cost (EGC) Factor							\$52,624,960.41	
34		Total Recoveries from Gas Cost Adjustment Factor (GCA)								\$47,624,714.31
35										
36										
37										
38										
39										

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

Description	February, 2010		March, 2010		April, 2010	
	MCF	Cost	MCF	Cost	MCF	Cost
1 Texas Gas Pipeline Area						
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 Total	571,713	\$2,863,282.37	471,887	\$1,927,266.67	2,119,422	\$8,140,134.77
16						
17						
18 Tennessee Gas Pipeline Area						
19 Atmos Energy Marketing, LLC						
20 Union Pacific Fuels						
21 WESCO						
22 Prepaid						
23 Reservation						
24 Fuel Adjustment						
25						
26 Total	38,945	\$188,811.82	182,938	\$896,930.90	309,420	\$1,187,785.41
27						
28						
29 Trunkline Gas Company						
30 Atmos Energy Marketing, LLC						
31 Engage						
32 Prepaid						
33 Reservation						
34 Fuel Adjustment						
35						
36 Total	110,417	\$594,521.76	76,321	\$345,031.10	29,748	\$100,943.15
37						
38						
39 Midwestern Pipeline						
40 Atmos Energy Marketing, LLC						
41 LG&E Natural						
42 Anadarko						
43 Prepaid						
44 Reservation						
45 Fuel Adjustment						
46						
47 Total	0	\$0.00	0	\$0.00	0	\$0.00
48						
49						
50 All Zones						
51 Total	721,075	\$3,646,615.95	731,146	\$3,169,228.67	2,458,590	\$9,428,863.33

Line No.	Amounts Reported:	AMOUNT
1	Tennessee Gas Pipeline PCB/HSL Refund, Docket Nos. RP91-203 & RP92-132	\$ 58,347.03
2	Less: amount related to specific end users	0.00
3	Amount to flow-through	\$ 58,347.03
4		
5	Average of the 3-Month Commercial Paper Rates for the immediately	0.26%
6	preceding 12-month period less 1/2 of 1% to cover the costs of refunding.	

	(1) Demand	(2) Commodity	(3) Total
9 Allocation			
11 Balance to be Refunded	\$0	\$ 58,347	\$58,347
12	0	0	0
14 Total (w/o interest)	0	58,347	58,347
15 Interest (Line 14 x Line 5)	0	152	152
16 Total	\$0	\$58,499	\$58,499

Refund Calculation		
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	\$58,499	\$ 0.0033 / MCF
32 Total Demand Firm Factor		\$0.0000 / MCF
33 (Col. 2, lines 29 - 30)		
34 Total Demand Interruptible Factor		\$0.0000 / MCF
35 (Col. 2, line 29)		
36 Total Firm Sales Factor		\$ 0.0033 / MCF
37 (Col. 2, line 31 + col. 1, line 33)		
38 Total Interruptible Sales Factor		\$ 0.0033 / MCF
39 (Col. 2, line 31 + col. 1, line 35)		

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

In the Matter of:

GAS COST ADJUSTMENT)	CASE NO.
FILING OF)	2010-00000
ATMOS ENERGY CORPORATION)	

**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 August 1, 2010 through October 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.

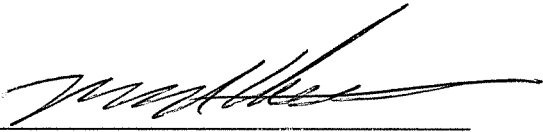
6. There is no significant interest in public disclosure of the attached information. Any public interest in favor of disclosure of the information is out weighed by the competitive interest in keeping the information confidential.

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 28th day of June, 2010.



Mark R. Hutchinson
611 Frederica Street
Owensboro, Kentucky 42301

Douglas Walther
Atmos Energy Corporation
P.O. Box 650250
Dallas, Texas 75265

John N. Hughes
124 W. Todd Street
Frankfort, Kentucky 40601

Attorneys for Atmos Energy Corporation