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RECEIVED

JUL 26 2010

PUBLIC SERVICE
COMMISSION

July 22, 2010

Jeff R. Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
PO Box 615
Frankfort, Kentucky 40602

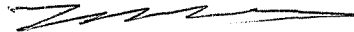
2010-00305

RE: Atmos Energy Corporation
Application of Atmos Energy Corporation to Modify Its Demand Side
Management Program and Cost Recovery Mechanism

Dear Mr. Derouen:

I am enclosing herewith, an original, plus eleven (11) copies of Atmos Energy Corporation's Application to Modify Its Demand Side Management Program and Cost Recovery Mechanism for filing in your office. Please return one stamped copy to me. Thanks.

Very truly yours,



Mark R. Hutchinson

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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JUL 26 2010

PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF ATMOS ENERGY CORPORATION)
TO MODIFY ITS DEMAND-SIDE MANAGEMENT PROGRAM)
AND COST RECOVERY MECHANISM AS AMENDED)

CASE NO.
2010-00305

**APPLICATION OF ATMOS ENERGY CORPORATION TO MODIFY ITS
DEMAND SIDE MANAGEMENT PROGRAM AND COST RECOVERY
MECHANISM**

Atmos Energy Corporation (“Atmos”), by counsel, hereby applies to the Kentucky Public Service Commission (“Commission”) for an order modifying its Demand Side Management Program as set forth below.

In support of this Application, Atmos states as follows:

1. On December 2, 2008, Atmos filed an application with the Commission requesting an extension of its Demand Side Management (“DSM”) Program and for recovery of its costs expended for its DSM Program under its DSM Cost Recovery Mechanism (“DSMCR”) for three (3) years (i.e., through December 31, 2011). See Kentucky Public Service Commission Case No. 2008-00499.
2. Following discovery by the Commission’s Staff and the Attorney General’s Office of Rate Intervention (the “AG”), the Commission entered its Order in Case No. 2008-00499 on September 2, 2009. Atmos’ DSM Program modifications were approved as proposed and were extended through December 31, 2011.

3. On September 14, 2009, Atmos filed a Request for Clarification in Case No. 2008-00499 with regard to the Commission's September 2, 2009 Order. In addition, the AG moved the Commission for rehearing.
4. The AG's Motion for Rehearing was denied and Atmos' request for clarification of the Commission's September 2, 2009 Order was sustained.
5. The AG thereafter filed an action in the Franklin Circuit Court pursuant to KRS 278.410 for review of the above referenced Orders of the Commission. In accordance with an agreement reached between the AG and Atmos, an agreed order dismissing the action, with prejudice, was entered by the Franklin Circuit Court on July 7, 2010. A copy of that Agreed Order is attached hereto.
6. In accordance with the agreement reached between the AG and Atmos, Atmos agreed to file an application with the Commission requesting certain modifications to its DSM Program. Specifically, that \$2500.00 per home be set as the maximum amount Atmos can expend under its low income weatherization program and that the maximum budget for the DSM Program be set at \$350,000.00 per year.
7. Atmos requests that the Commission's prior orders referenced above be modified to incorporate these two changes and that the Commission's new order, as modified, be effective through December 31, 2011.
8. In support of this Application, Atmos requests that the record of the prior proceedings (Case No. 2008-00499) be incorporated herein by reference.

WHEREFORE, for the reasons stated herein, Atmos respectfully requests the Commission to enter a new Order containing the modifications requested above to Atmos' DSM Program and Cost Recovery Mechanism for a period ending December 31, 2011.

Respectfully submitted this 22 day of July, 2010.

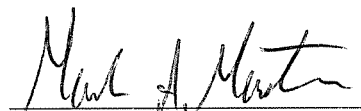


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Douglas Walther
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VERIFICATION

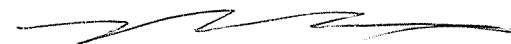
I, Mark A. Martin, being duly sworn under oath state that I am Vice President of Rates and Regulatory Affairs for Atmos Energy Corporation, Kentucky/Midstates Division, and that the statements contained in the foregoing Petition are true as I verily believe.



Mark A. Martin

CERTIFICATE OF SERVICE

I hereby certify that on the 22 day of July, 2010, the original of this Application, together with eleven (11) copies, were filed with the Kentucky Public Service Commission, 211 Sower Blvd, P.O. Box 615, Frankfort, Kentucky 40206 and upon Paul Adams, Office of the Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601.



Mark R. Hutchinson