

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

Filed electronically 10/15/08

**IN RE:**

**PETITION OF ATMOS ENERGY )  
CORPORATION FOR APPROVAL OF )  
ADJUSTMENT OF ITS RATES AND )  
REVISED TARIFF )**

**DOCKET NO. 08- 00197**

---

**PRE-FILED TESTIMONY OF PATRICIA J. CHILDERS  
ON BEHALF OF ATMOS ENERGY CORPORATION**

---

**I. POSITION AND QUALIFICATIONS**

**Q. Please state your name, position and business address.**

A. My name is Patricia J. Childers. I am Vice President – Rates & Regulatory Affairs for Atmos Energy Corporation’s Kentucky/Mid-States Division (herein referred to as “Atmos” or the “Company”), which includes the Company’s regulated gas utility operations in Tennessee. My business address is 810 Crescent Centre Drive, Suite 600, Franklin, Tennessee 37067-6226.

**Q. Please briefly describe your current responsibilities, and professional and educational background.**

A. I have a Bachelor of Science in Business Administration from Middle Tennessee State University. I have worked for Atmos and its predecessors since 1979. In 2001, I assumed my current position, Vice President – Rates and Regulatory Affairs of Atmos’ Kentucky/Mid-States Division. My job responsibilities include oversight of rates and regulatory affairs for the Company’s regulated utility operations in the States of Tennessee, Virginia, and Georgia. I also serve on

1 internal and external committees involved in monitoring and addressing  
2 developments and trends in regulated gas utility rates.

3 **Q. Have you previously testified before the Tennessee Regulatory Authority (the**  
4 **“Authority”)?**

5 A. Yes. Throughout my years with the Company I have provided testimony before  
6 the Tennessee Regulatory Authority, the Georgia Public Service Commission, the  
7 Illinois Commerce Commission, the Missouri Public Service Commission, and  
8 the Virginia State Corporation Commission.

9  
10 **II. PURPOSE OF TESTIMONY**

11 **Q. What is the purpose of your testimony in this proceeding?**

12 A. The purpose of my testimony is to support the Company’s attrition period  
13 revenues and billing determinants, as well as the rate design and proposed rates in  
14 this filing.

15 **Q. Are you sponsoring any schedules?**

16 A. Yes. I am sponsoring the following schedules:

17 Schedule PJC-1 Test Period Margin

18 Schedule PJC-2 Attrition Period Margin

19 Schedule PJC-3 Present vs. Proposed Rates

20 Schedule PJC-4 Proposed Tariff (red-lined version)

21 **Q. Were the schedules that you are sponsoring prepared under your direct**  
22 **supervision?**

23 A. Yes.

1

2 **III. ATTRITION PERIOD REVENUES AND BILLING DETERMINANTS**

3

4 **Q. Please describe how the Company has arrived at the attrition period**  
5 **revenues in this proceeding.**

6 A. To determine the attrition period revenues in this case, billing determinants  
7 (customer base charge counts and volumes) from the historical test period 12  
8 months ended June 30, 2008 were priced-out at the Company's currently effective  
9 tariff rates as shown on schedule PJC-1. To accomplish this, the test period  
10 volumes were weather normalized and then adjusted to account for projected  
11 residential/commercial customer growth and usage changes during the attrition  
12 period. Adjustments were also made to reflect the projected number of customers  
13 that will take advantage of the senior citizen – low income discount and  
14 anticipated changes to the gas usage of certain large customers during the attrition  
15 period. The resulting attrition period revenue (less gas cost) is \$51,400,895. This  
16 same methodology for generating the attrition period revenue amount was used by  
17 the Company in its two most recent rate cases in TN (Docket No. 05-00258 and  
18 07-00105).

19 **Q. Please describe the steps taken to normalize the test period volumes for the**  
20 **effects of weather.**

21 A. To weather normalize the test period volumes, the Company simply took the  
22 actual Weather Normalization Adjustment ("WNA") revenue booked during the  
23 winter of the test period (Nov07-Apr08) for residential and commercial customers  
24 separately, and divided it by the respective currently effective rate per Ccf. This

1 produces the WNA volumes in column (g) of PJC-1 which are added to the test  
2 period volumes to produce the normalized test period volumes in column (h).  
3 This approach ensures that the actual amount of WNA revenue booked during the  
4 test period is utilized in determining the attrition period margin.

5 **Q. Is the Company proposing any changes to the WNA calculation in this**  
6 **proceeding?**

7 A. No. Atmos is not proposing any changes to the WNA rider in this  
8 proceeding. In the Company's last general rate case, the Company utilized  
9 updates to the heat use/base use factors and the normal heating degree days to  
10 calculate the adjustment. These factors are still reasonably current, and updating  
11 the factors again through the test period in this case would not produce significant  
12 changes.

13 **Q. Please describe the adjustments made to the test year volumes and base**  
14 **charge counts.**

15 A. The Company adjusted the test period base charge counts by 1.5% to reflect the  
16 anticipated attrition period number of customers receiving the senior citizen –  
17 low-income discount. The 1.5% projection resulted from the Company's last  
18 Tennessee rate case and has again been used in this filing (PJC-2, columns (h) and  
19 (i). The Company also applied adjustments for customer growth and customer  
20 usage, shown on schedule PJC-2, columns (k) and (l). The customer growth  
21 adjustments reflect the projected net number of residential and small commercial  
22 customers that will be added to the system during the attrition period, while the  
23 customer usage adjustment captures the steady decline in annual usage per

1 residential customer experienced by the Company and the industry as a whole.  
2 Further adjustments were made to the volumes of some of the Company's large  
3 customers based on information provided by these customers concerning their  
4 projected usage during the attrition period.

5 **Q. Has projected customer growth changed since the Company's last rate case**  
6 **in Tennessee?**

7 A. Yes. The Company has seen a decrease in residential customer growth in  
8 Tennessee since the last general rate case proceeding in 2007. Since that time, the  
9 economy as a whole has slowed significantly, having an impact on the residential  
10 construction market. Therefore, the Company has reduced the residential growth  
11 adjustment from 2.25% used in the Docket No. 07-00105 to 1.6% in the current  
12 proceeding.

#### 13 **IV. PROPOSED RATES AND RATE DESIGN**

14 **Q. Why has the Company proposed an increase in base rates?**

15 A. The Company has a revenue deficiency of \$6,288,571 at current rates. Current  
16 rates are therefore insufficient to permit the Company the opportunity to earn a  
17 reasonable return on its invested capital over and above its reasonable and  
18 necessary operating expenses. The changes to volumetric rates proposed by the  
19 Company in this filing, coupled with the increased customer charges proposed by  
20 the Company, will allow the Company an opportunity to earn a reasonable return.

21 **Q. What is the company's current rate design?**

22 A. The Company's current rate design apportions the Company's revenue  
23 requirement between a monthly fixed customer charge and a volumetric rate for

1 each customer class. Except for the proposed increases to both the monthly  
2 customer charge and volumetric rate component, the Company is proposing  
3 essentially the same rate design.

4 **Q. How does the Company propose to spread the requested rate increase to the**  
5 **various customer classes?**

6 A. In the Company's last TN rate case (Docket No. 07-00105), the granted increase  
7 was spread proportionately based on the attrition period revenues of each rate  
8 schedule. Therefore, the Company is proposing to allocate the requested increase  
9 in the same manner.

10 **Q. Please explain the Company's proposal to increase the customer charges of**  
11 **Rate Schedules 210 and 220.**

12 A. The Company proposes to increase the residential Rate Schedule 210 customer  
13 charge to \$12.00 during the summer months (May through September) and  
14 \$15.00 during the winter months (October through April), and the small  
15 commercial/industrial Rate Schedule 220 monthly customer charge to \$30.00.  
16 The Company's proposal recovers any remaining share of the requested increase  
17 is proposed to be recovered through the volumetric rate per Ccf. A detailed  
18 comparison of the Company's present vs. proposed rates in this case can be found  
19 on schedule PJC-3. A strike-through copy of the Company's proposed revisions  
20 to its related tariff pages is attached hereto as schedule PJC-4.

21 **Q. Why should this Authority authorize the Company to increase its customer**  
22 **charges?**

1 A. The vast majority of non-gas costs borne by a natural gas utility, and  
2 correspondingly its revenue requirements, are fixed and are essentially unaffected  
3 by the volumes sold or transported. Page 16 of the Motion that the Authority  
4 ultimately approved in Docket No. 05-00258 states "It is a sound economic and  
5 accounting practice to recover a cost in a manner that is similar to that in which it  
6 is incurred." In keeping with this approach, the proposed customer charges strike  
7 a reasonable balance between the amount of the increase collected through the  
8 base charge versus the volumetric component of a customer's bill. The Company  
9 currently collects approximately 45% of its base rate margin through the customer  
10 charge, and the proposed change to the customer charges would not increase this  
11 percentage materially. The requested increases to the customer charges are a  
12 small but important incremental step toward greater recovery of the Company's  
13 fixed costs through the customer charge.

14 Another benefit of collecting a greater percentage of margin through the customer  
15 charge is that it allows customers to spread a portion of their costs throughout the  
16 year, thus taking some pressure off of higher winter bills. While the Company's  
17 current WNA mechanism helps lower the customer's overall bill in colder-than-  
18 normal winter months, it does not have the ability to more evenly spread the cost  
19 that customers will pay over twelve months.

20 **Q. Will the current senior citizen exemption from paying the monthly customer**  
21 **charge remain in effect?**

1 A. Yes, residential customers 65 or older meeting the threshold for low-income  
2 eligibility requirements will continue to be exempt from the proposed monthly  
3 customer charge.

4 **Q. Are there any exceptions to this pro-rata approach to spreading the overall**  
5 **requested increase?**

6 A. Yes. Special contracts and “other revenue”, which includes forfeited discounts  
7 and service fees, are not part of the attrition period revenues over which the  
8 Company is proposing to spread any granted increase. The special contract  
9 revenue is not based on any particular tariff rate, and thus is not included when  
10 determining how to allocate increases in revenue.

11 **Q. Does this conclude your testimony?**

12 A. Yes.



**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

**IN RE:**

**PETITION OF ATMOS ENERGY  
CORPORATION FOR APPROVAL OF  
ADJUSTMENT OF ITS RATES AND  
REVISED TARIFF**

**DOCKET NO. \_\_\_\_\_**


---

**VERIFICATION**

---

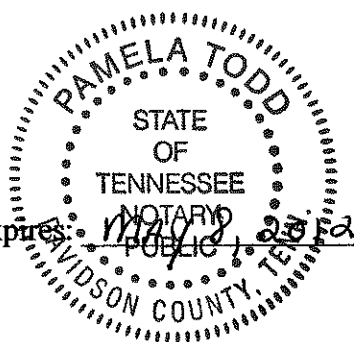
STATE OF TENNESSEE     )  
                                      )  
COUNTY OF WILLIAMSON )

I, Patricia J. Childers, being first duly sworn, state that I am the Vice President of Rates & Regulatory Affairs for the Kentucky/Mid-States Division of Atmos Energy Corporation, that I am authorized to testify on behalf of Atmos Energy Corporation in the above referenced docket, that the Testimony of Patricia J. Childers in Support of Atmos Energy Corporation's Petition and the Exhibits thereto pre-filed in this docket on the date of filing of this Petition are true and correct to the best of my knowledge, information and belief.

  
\_\_\_\_\_  
Patricia J. Childers

Sworn and subscribed before me this 24th day of September, 2008.

My Commission Expires: \_\_\_\_\_



  
\_\_\_\_\_  
Notary Public

My Commission Expires MAY 8, 2012

Line No.	Description	12 Mths Ended Jun08		Rates effective Jun08		12 mths Jun08	Weather	12 mths Jun08	12 mths Jun08	12 mths Jun08
		Base Count	Volumes Ccf	Monthly Customer chg	Commodity Charge/Ccf	Margin at Jun08 rates	Adjustment Volumes Ccf	WNA Adjusted Volumes Ccf	Weather adj Margin at Jun08 rates	WNA \$ Adj at Jun08 rates
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
1	<b>RESIDENTIAL</b>									
2	210 RGS SUMMER	548,025	7,957,345	\$10.00	\$0.1308	\$6,521,071		7,957,345	\$6,521,071	\$0
3	210 RGS WINTER (weather sensitive)	800,867	59,033,012	13.00	0.1308	18,132,789	3,997,678	63,030,690	18,655,685	522,896
4	210 RGS SR CIT SUMMER	577	5,825	0.00	0.1308	762		5,825	762	
5	210 RGS SR CIT WINTER (weather sensitive)	1,116	71,498	0.00	0.1308	9,352		71,498	9,352	
6	211 HVAC	12	3,584	10.00	0.0667	359		3,584	359	
7	Total Residential	1,350,597	67,071,264			24,664,333	3,997,678	71,068,942	25,187,229	522,896
8										
9	<b>COMMERCIAL</b>									
10	211 HVAC	11	193	10.00	0.0667	123		193	123	0
11	220 COM/IND GS (weather sensitive)	183,967	45,423,764	27.50	0.2049	14,366,422	1,876,137	47,299,900	14,750,842	384,420
12	230 LRG COM/IND GS (weather sensitive)	43	508,585	200.00	0.1758	98,009	21,006	529,591	101,702	3,693
13	240 DEMAND/COMM GS			310.00		0			0	
14	Block 1 Volumes				0.0983	0		0	0	
15	Block 2 Volumes				0.0640	0		0	0	
16	Block 3 Volumes				0.0279	0		0	0	
17	Demand Volumes				1.6283	0		0	0	
18	250 OPT GS	107		310.00		33,170		0	33,170	
19	Block 1 Volumes		1,727,250		0.0983	169,789		1,727,250	169,789	
20	Block 2 Volumes		3,245,268		0.0640	207,697		3,245,268	207,697	
21	Block 3 Volumes				0.0279	0		0	0	
22	293 LRG TONN HVAC GS	12		27.50		330		0	330	
23	Block 1 Volumes		156,651		0.0983	15,399		156,651	15,399	
24	Block 2 Volumes		14,515		0.0640	929		14,515	929	
25	Block 3 Volumes				0.0279	0		0	0	
26	Total Commercial	184,140	51,076,225			14,891,867	1,897,143	52,973,368	15,279,981	388,113
27										
28	<b>INDUSTRIAL</b>									
29	220 COM/IND GS	4,119	6,104,127	27.50	0.2049	1,364,008		6,104,127	1,364,008	
30	230 LRG COM/IND GS	167	1,263,387	200.00	0.1758	255,503		1,263,387	255,503	
31	240 DEMAND/COMM GS	12		310.00		3,720		0	3,720	
32	Block 1 Volumes		240,000		0.0983	23,592		240,000	23,592	
33	Block 2 Volumes		344,560		0.0640	22,052		344,560	22,052	
34	Block 3 Volumes				0.0279	0		0	0	
35	Demand Volumes		45,915		1.6283	74,763		45,915	74,763	
36	250 OPT GS	410		310.00		127,100		0	127,100	
37	Block 1 Volumes		4,608,489		0.0983	453,014		4,608,489	453,014	
38	Block 2 Volumes		3,252,430		0.0640	208,156		3,252,430	208,156	
39	Block 3 Volumes				0.0279	0		0	0	
40	280 - ECONOMIC DEV GS (250 OPT)	12		310.00		3,720		0	3,720	
41	Block 1 Volumes		240,000		0.0737	17,688		240,000	17,688	
42	Block 2 Volumes		320,470		0.0480	15,383		320,470	15,383	
43	Block 3 Volumes				0.0209	0		0	0	
44	292 CNG/Prime Mover	12		0.00		0		0	0	
45	Block 1 Volumes				0.0983	0		0	0	
46	Block 2 Volumes				0.0640	0		0	0	
47	Block 3 Volumes				0.0279	0		0	0	
48	292 COGEN/CNG	12		27.50		330		0	330	
49	Block 1 Volumes		18,436		0.0983	1,812		18,436	1,812	
50	Block 2 Volumes				0.0640	0		0	0	
51	Block 3 Volumes				0.0279	0		0	0	
52	Total Industrial	4,744	16,391,899			2,570,842	0	16,391,899	2,570,842	
53										
54	<b>PUBLIC AUTHORITY</b>									
55	211 HVAC			10.00	0.0667	0		0	0	
56	221 EXPERIMENTAL SGS	72	618,248	27.50	0.0983	62,754		618,248	62,754	
57	225 PAG SR CIT SUMMER			0.00	0.1308	0		0	0	
58	225 PAG SR CIT WINTER (weather sensitive)			0.00	0.1308	0		0	0	
59	225 PAG GS - SUMMER	2,449	88,244	10.00	0.1308	36,032		88,244	36,032	
60	225 PAG GS - WINTER (weather sensitive)	3,446	439,731	13.00	0.1308	102,315	29,742	469,473	106,205	3,890
61	Total Public Authority	5,967	1,146,223			201,101	29,742	1,175,965	204,991	3,890

Line No.	Description	12 Mths Ended Jun08		Rates effective Jun08		12 mths Jun08	Weather	12 mths Jun08	12 mths Jun08	12 mths Jun08
		Base Count	Volumes Ccf	Monthly Customer chg	Commodity Charge/Ccf	Margin at Jun08 rates	Adjustment Volumes Ccf	WNA Adjusted Volumes Ccf	Weather adj Margin at Jun08 rates	WNA \$ Adj at Jun08 rates
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
62										
63	<b>TRANSPORTATION</b>									
64	260 - TRANSP (220 SML COM/INDG)	34	311,338	310.00	0.2049	74,333		311,338	74,333	
65	260 - TRANSP (230 LRG COM/INDG)	374	7,945,435	310.00	0.1758	1,512,747		7,945,435	1,512,747	
66	260 - TRANSP (240 DEMAND/COMM GS)	12		310.00		3,720		0	3,720	
67	Block 1 Volumes		240,000		0.0983	23,592		240,000	23,592	
68	Block 2 Volumes		731,230		0.0640	46,799		731,230	46,799	
69	Block 3 Volumes				0.0279	0		0	0	
70	Demand Volumes		49,920		1.6283	81,285		49,920	81,285	
71	260 - TRANSP (280/240 ECON DEV - DEMAND/COMM)	12		310.00		3,720		0	3,720	
72	Block 1 Volumes		240,000		0.0737	17,688		240,000	17,688	
73	Block 2 Volumes		626,520		0.0480	30,073		626,520	30,073	
74	Block 3 Volumes				0.0209	0		0	0	
75	Demand Volumes		35,320		1.2212	43,133		35,320	43,133	
76	260 - TRANSP (250 OPT GS)	612		310.00		189,720		0	189,720	
77	Block 1 Volumes		11,268,006		0.0983	1,107,645		11,268,006	1,107,645	
78	Block 2 Volumes		29,386,880		0.0640	1,880,760		29,386,880	1,880,760	
79	Block 3 Volumes				0.0279	0		0	0	
80	260 - TRANSP (280/250 ECON DEV - OPT GS)	12		310.00		3,720		0	3,720	
81	Block 1 Volumes		240,000		0.0983	23,592		240,000	23,592	
82	Block 2 Volumes		964,720		0.0640	61,742		964,720	61,742	
83	Block 3 Volumes		634,130		0.0480	30,438		634,130	30,438	
84										
85	<b>SPECIAL CONTRACTS</b>					838,413			838,413	
86										
87	Total Transportation	1,056	52,588,259			5,973,120	0	52,588,259	5,973,120	
88										
89	<b>TOTALS</b>	<b>1,546,504</b>	<b>188,273,870</b>			<b>\$48,301,263</b>	<b>5,924,563</b>	<b>194,198,433</b>	<b>\$49,216,163</b>	<b>\$914,900</b>
90										
91	4870 - Forfeited Discount					1,210,387			\$1,210,387	
92	4880 - Miscellaneous Service charges					469,311			469,311	
93	<b>TOTAL MARGIN REVENUES</b>					<b>\$49,980,961</b>			<b>\$50,895,861</b>	

										Res (Sun)		1.60%						
										Res (Wint)		1.60%		-1.50%				
Line	12 mths Jun08		Rates effective Jun08		12 mths Jun08		Customer Changes		Customer Growth		Declining Usage		Adjusted	Adjusted	Total			
No.	Description	Base Count	Weather Adj. Vol Ccf	Monthly Customer chg	Commodity Charge/Ccf	Weather adj Margin at Jun08 rates	Base Count	Volumes Ccf	Base Count	Volumes Ccf	Base Count	Volumes Ccf	Base Count	Volumes Ccf	Adjusted Margin Rev			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)				
1	RESIDENTIAL																	
2	210 RGS SUMMER	548,025	7,957,345	\$10.00	\$0.1308	\$6,521,071	(8,220)	(119,360)	15,115	219,464	(211,508)	554,919	7,845,940	\$6,575,441				
3	210 RGS WINTER (weather sensitive)	800,867	63,030,690	\$13.00	\$0.1308	18,655,685	(12,013)	(945,460)	22,088	1,738,386	(1,675,370)	810,942	62,148,246	18,671,235				
4	210 RGS SR CIT SUMMER	577	5,825	\$0.00	\$0.1308	762	8,220	119,360	246	3,505	(3,378)	9,044	125,312	16,391				
5	210 RGS SR CIT WINTER (weather sensitive)	1,116	71,498	\$0.00	\$0.1308	9,352	12,013	945,460	368	28,475	(27,443)	13,497	1,017,991	133,153				
6	211 HVAC	12	3,584	\$10.00	\$0.0667	359						12	3,584	359				
7	Total Residential	1,350,597	71,068,942			25,167,229	0	0	37,816	1,969,830	(1,917,699)	1,388,413	71,141,073	25,396,579				
8																		
9	COMMERCIAL																	
10	211 HVAC	11	193	10.00	0.0667	123						11	193	123				
11	220 COM/IND GS (weather sensitive)	183,967	47,299,900	27.50	0.2049	14,750,842			3,085	793,187		187,052	48,083,087	14,996,204				
12	230 LRG COM/IND GS (weather sensitive)	43	529,591	200.00	0.1758	101,702	12	135,200				65	664,791	127,870				
13	240 DEMAND/COMM GS	0	0	310.00		0						0	0	0				
14	Block 1 Volumes		0		0.0983	0						0	0	0				
15	Block 2 Volumes		0		0.0640	0						0	0	0				
16	Block 3 Volumes		0		0.0279	0						0	0	0				
17	Demand Volumes		0		1.6283	0						0	0	0				
18	250 OPT GS	107	0	310.00		33,170						107	0	33,170				
19	Block 1 Volumes		1,727,250		0.0983	169,789						0	1,727,250	169,789				
20	Block 2 Volumes		3,245,268		0.0640	207,697						0	3,245,268	207,697				
21	Block 3 Volumes		0		0.0279	0						0	0	0				
22	293 LRG TOWN HVAC GS	12	0	27.50		330						12	0	330				
23	Block 1 Volumes		156,651		0.0983	15,399						0	156,651	15,399				
24	Block 2 Volumes		14,515		0.0640	929						0	14,515	929				
25	Block 3 Volumes		0		0.0279	0						0	0	0				
26	Total Commercial	184,140	52,973,368			15,279,981	12	135,200	3,085	793,187	0	187,237	53,901,755	15,553,510				
27																		
28	INDUSTRIAL																	
29	220 COM/IND GS	4,119	6,104,127	27.50	0.2049	1,364,008						4,119	6,104,127	1,364,008				
30	230 LRG COM/IND GS	167	1,263,387	200.00	0.1758	255,503						167	1,263,387	255,503				
31	240 DEMAND/COMM GS	12	0	310.00		3,720						12	0	3,720				
32	Block 1 Volumes		240,000		0.0983	23,592						0	240,000	23,592				
33	Block 2 Volumes		344,560		0.0640	22,652						0	344,560	22,652				
34	Block 3 Volumes		0		0.0279	0						0	0	0				
35	Demand Volumes		45,915		1.6283	74,763						0	45,915	74,763				
36	250 OPT GS	410	0	310.00		127,100	12					422	0	130,820				
37	Block 1 Volumes		4,608,489		0.0983	453,014		(185,410)				0	4,423,079	434,789				
38	Block 2 Volumes		3,252,430		0.0640	208,156		(67,270)				0	3,186,160	203,860				
39	Block 3 Volumes		0		0.0279	0						0	0	0				
40	280 - ECONOMIC DEV GS (250 OPT)	12	0	310.00		3,720	(12)					0	0	0				
41	Block 1 Volumes		240,000		0.0737	17,688		(240,000)				0	0	0				
42	Block 2 Volumes		320,470		0.0480	15,383		(320,470)				0	0	0				
43	Block 3 Volumes		0		0.0269	0						0	0	0				
44	292 CNG/Prime Mover	12	0	0.00		0						12	0	0				
45	Block 1 Volumes		0		0.0983	0						0	0	0				
46	Block 2 Volumes		0		0.0640	0						0	0	0				
47	Block 3 Volumes		0		0.0279	0						0	0	0				
48	292 COGEN/CNG	12	0	27.50		330						12	0	330				
49	Block 1 Volumes		18,436		0.0983	1,812						0	18,436	1,812				
50	Block 2 Volumes		0		0.0640	0						0	0	0				
51	Block 3 Volumes		0		0.0279	0						0	0	0				
52	Total Industrial	4,744	16,381,899			2,570,842	0	(613,150)	0	0	0	4,744	16,578,749	2,515,240				
53																		
54	PUBLIC AUTHORITY																	
55	211 HVAC			10.00	0.0667	0						0	0	0				
56	221 EXPERIMENTAL SGS	72	618,248	27.50	0.0983	62,754						72	618,248	62,754				
57	225 PAG SR CIT SUMMER			0.00	0.1308	0	37	1,324				37	1,324	173				
58	225 PAG SR CIT WINTER (weather sensitive)			0.00	0.1308	0	52	7,042				52	7,042	921				
59	225 PAG GS - SUMMER	2,449	88,244	10.00	0.1308	36,032	(37)	(1,324)				2,412	86,921	35,482				
60	225 PAG GS - WINTER (weather sensitive)	3,446	469,473	13.00	0.1308	106,205	(52)	(7,042)				3,394	462,431	104,612				
61	Total Public Authority	5,967	1,175,965			204,991	0	0	0	0	0	5,967	1,175,965	203,952				

Line No.	Description	12 mths Jun08		Rates effective Jun08		12 mths Jun08		Customer Changes		Customer Growth		Declining	Adjusted Base Count	Adjusted Volumes Ccf	Total Adjusted Margin Rev
		Base Count	Weather Adj. Vol Ccf	Monthly Customer chg	Commodity Charge/Ccf	Weather adj Margin at Jun08 rates	Base Count	Volumes Ccf	Base Count	Volumes Ccf	Usage Volumes Ccf				
(a)		(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	
62															
63	TRANSPORTATION														
64	260 - TRANSP (220 SML COM/INDG)	34	311,338	310.00	0.2049	74,333						34	311,338	74,333	
65	260 - TRANSP (230 LRG COM/INDG)	374	7,945,435	310.00	0.1758	1,512,747						374	7,945,435	1,512,747	
66	260 - TRANSP (240 DEMAND/COMM GS)	12	0	310.00		3,720	24					36	0	11,160	
67	Block 1 Volumes		240,000		0.0983	23,592		240,000				0	480,000	47,184	
68	Block 2 Volumes		731,230		0.0640	46,799		626,520				0	1,357,750	86,896	
69	Block 3 Volumes		0		0.0279	0						0	0	0	
70	Demand Volumes		49,920		1.6263	81,285		35,320				0	85,240	138,796	
71	260 - TRANSP (280/240 ECON DEV - DEMAND/COMM)	12	0	310.00		3,720	(12)					0	0	0	
72	Block 1 Volumes		240,000		0.0737	17,688		(240,000)				0	0	0	
73	Block 2 Volumes		626,520		0.0480	30,073		(626,520)				0	0	0	
74	Block 3 Volumes		0		0.0209	0						0	0	0	
75	Demand Volumes		35,320		1.2212	43,133		(35,320)				0	0	0	
76	260 - TRANSP (250 OPT GS)	612	0	310.00		189,720	6					618	0	191,580	
77	Block 1 Volumes		11,268,006		0.0983	1,107,645		175,120				0	11,443,126	1,124,859	
78	Block 2 Volumes		29,366,880		0.0640	1,880,760		266,310				0	29,653,190	1,897,804	
79	Block 3 Volumes		0		0.0279	0						0	0	0	
80	260 - TRANSP (260/250 ECON DEV - OPT GS)	12	0	310.00		3,720	(12)					0	0	0	
81	Block 1 Volumes		240,000		0.0983	23,592		(240,000)				0	0	0	
82	Block 2 Volumes		964,720		0.0640	61,742		(964,720)				0	0	0	
83	Block 3 Volumes		634,130		0.0480	30,438		(634,130)				0	0	0	
84															
85	SPECIAL CONTRACTS					838,413								966,555	
86															
87	Total Transportation	1,056	52,588,259			5,973,120	6	(1,397,420)	0	0	0	1,062	51,190,839	6,051,916	
88															
89	TOTALS	1,546,504	194,198,433			\$49,216,163	18	(2,075,370)	40,901	2,783,017	(1,917,699)	1,587,423	192,988,381	\$49,721,197	
90															
91	4870 - Forfeited Discount					1,210,387								\$1,210,387	
92	4880 - Miscellaneous Service charges					469,311								469,311	
93	TOTAL MARGIN REVENUES					\$50,895,861								\$51,400,895	

Line No.	Description	Present Rates		Adjusted Base Count	Adjusted Volumes Ccf	Total Adjusted Margin Rev	Proposed Rates		Total Margin Rev	Increase	% Change
		Monthly Customer chg	Commodity Charge/Ccf				Monthly Customer chg	Commodity Charge/Ccf			
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	
1	RESIDENTIAL										
2	210 RGS SUMMER	\$10.000	\$0.1308	554,919	7,845,940	\$6,575,441	12.00	0.1387	\$7,747,262	\$1,171,821	18%
3	210 RGS WINTER (weather sensitive)	\$13.000	\$0.1308	810,942	62,148,246	18,671,235	15.00	0.1387	\$20,784,090	\$2,112,855	11%
4	210 RGS SR CIT SUMMER	\$0.000	\$0.1308	9,044	125,312	16,391	0.00	0.1387	\$17,381	\$990	6%
5	210 RGS SR CIT WINTER (weather sensitive)	\$0.000	\$0.1308	13,497	1,017,991	133,153	0.00	0.1387	\$141,195	\$8,042	6%
6	211 HVAC	\$10.000	\$0.0667	12	3,584	359	12.00	0.0711	\$399	\$40	11%
7	Total Residential			1,388,413	71,141,073	25,396,579			28,690,327	\$3,293,748	13%
8											
9	Average Residential Customer			12	615	221			250	\$29	13%
10											
11	COMMERCIAL										
12	211 HVAC	\$10.000	\$0.0667	11	193	123	12.00	0.0711	146	\$23	19%
13	220 COM/IND GS (weather sensitive)	\$27.500	\$0.2049	187,052	48,093,087	14,998,204	30.00	0.2352	16,923,054	\$1,924,851	13%
14	230 LRG COM/IND GS (weather sensitive)	\$200.000	\$0.1758	55	664,791	127,870	200.00	0.2007	144,423	\$16,553	13%
15	240 DEMAND/COMM GS	\$310.000		0	0	0	310.00		0	\$0	0%
16	Block 1 Volumes		\$0.0983	0	0	0		0.1121	0	\$0	0%
17	Block 2 Volumes		\$0.0640	0	0	0		0.0730	0	\$0	0%
18	Block 3 Volumes		\$0.0279	0	0	0		0.0318	0	\$0	0%
19	Demand Volumes		\$1.6283	0	0	0		1.6283	0	\$0	0%
20	250 OPT GS	\$310.000		107	0	33,170	310.00		33,170	\$0	0%
21	Block 1 Volumes		\$0.0983	0	1,727,250	169,789		0.1121	193,625	\$23,836	14%
22	Block 2 Volumes		\$0.0640	0	3,245,268	207,697		0.0730	236,855	\$29,158	14%
23	Block 3 Volumes		\$0.0279	0	0	0		0.0318	0	\$0	0%
24	293 LRG TONN HVAC GS	\$27.500		12	0	330	30.00		360	\$30	9%
25	Block 1 Volumes		\$0.0983	0	156,651	15,399		0.1121	17,561	\$2,162	14%
26	Block 2 Volumes		\$0.0640	0	14,515	929		0.0730	1,059	\$130	14%
27	Block 3 Volumes		\$0.0279	0	0	0		0.0318	0	\$0	0%
28	Total Commercial			187,237	53,901,755	15,553,510			17,550,253	\$1,996,743	13%
29											
30	INDUSTRIAL										
31	220 COM/IND GS	\$27.500	\$0.2049	4,119	6,104,127	1,364,008	30.00	0.2352	1,559,261	\$195,253	14%
32	230 LRG COM/IND GS	\$200.000	\$0.1758	167	1,263,387	255,503	200.00	0.2007	286,962	\$31,458	12%
33	240 DEMAND/COMM GS	\$310.000		12	0	3,720	310.00		3,720	\$0	0%
34	Block 1 Volumes		\$0.0983	0	240,000	23,592		0.1121	26,904	\$3,312	14%
35	Block 2 Volumes		\$0.0640	0	344,560	22,052		0.0730	25,148	\$3,096	14%
36	Block 3 Volumes		\$0.0279	0	0	0		0.0318	0	\$0	0%
37	Demand Volumes		\$1.6283	0	45,915	74,763		1.6283	74,763	\$0	0%
38	250 OPT GS	\$310.000		422	0	130,820	310.00		130,820	\$0	0%
39	Block 1 Volumes		\$0.0983	0	4,423,079	434,789		0.1121	495,827	\$61,038	14%
40	Block 2 Volumes		\$0.0640	0	3,185,160	203,850		0.0730	232,468	\$28,618	14%
41	Block 3 Volumes		\$0.0279	0	0	0		0.0318	0	\$0	0%
42	280 - ECONOMIC DEV GS (250 OPT)	\$310.000		0	0	0	310.00		0	\$0	0%
43	Block 1 Volumes		\$0.0737	0	0	0		0.0841	0	\$0	0%
44	Block 2 Volumes		\$0.0480	0	0	0		0.0547	0	\$0	0%
45	Block 3 Volumes		\$0.0209	0	0	0		0.0239	0	\$0	0%
46	292 CNG/Prime Mover	\$0.000		12	0	0	0.00		0	\$0	0%
47	Block 1 Volumes		\$0.0983	0	0	0		0.1121	0	\$0	0%
48	Block 2 Volumes		\$0.0640	0	0	0		0.0730	0	\$0	0%
49	Block 3 Volumes		\$0.0279	0	0	0		0.0318	0	\$0	0%
50	292 COGEN/CNG	\$27.500		12	0	330	30.00		360	\$30	9%
51	Block 1 Volumes		\$0.0983	0	18,436	1,812		0.1121	2,067	\$254	14%
52	Block 2 Volumes		\$0.0640	0	0	0		0.0730	0	\$0	0%
53	Block 3 Volumes		\$0.0279	0	0	0		0.0318	0	\$0	0%
54	Total Industrial			4,744	15,578,749	2,515,240			2,838,299	\$323,059	13%
55											
56	PUBLIC AUTHORITY										
57	211 HVAC	\$10.000	\$0.0667	0	0	0	12.00	0.0711	0	\$0	0%
58	221 EXPERIMENTAL SGS	\$27.500	\$0.0983	72	618,248	62,754	30.00	0.1112	70,909	\$8,155	13%
59	225 PAG SR CIT SUMMER	\$0.000	\$0.1308	37	1,324	173	0.00	0.1387	184	\$10	6%
60	225 PAG SR CIT WINTER (weather sensitive)	\$0.000	\$0.1308	52	7,042	921	0.00	0.1387	977	\$56	6%
61	225 PAG GS - SUMMER	\$10.000	\$0.1308	2,412	86,921	35,492	12.00	0.1387	41,003	\$5,511	16%
62	225 PAG GS - WINTER (weather sensitive)	\$13.000	\$0.1308	3,394	462,431	104,612	15.00	0.1387	115,054	\$10,442	10%
63	Total Public Authority			5,967	1,175,965	203,952			228,126	\$24,175	12%

Line No.	Description	Present Rates		Adjusted Base Count	Adjusted Volumes Ccf	Total Adjusted Margin Rev	Proposed Rates		Total Margin Rev	Increase	% Change
		Monthly Customer chg	Commodity Charge/Ccf				Monthly Customer chg	Commodity Charge/Ccf			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
64											
65	TRANSPORTATION										
66	260 - TRANSP (220 SML COM/INDG)	\$310.000	\$0.2049	34	311,338	74,333	310.00	0.2352	83,767	\$9,434	13%
67	260 - TRANSP (230 LRG COM/INDG)	\$310.000	\$0.1758	374	7,945,435	1,512,747	310.00	0.2007	1,710,589	\$197,841	13%
68	260 - TRANSP (240 DEMAND/COMM GS)	\$310.000		36	0	11,160	310.00		11,160	\$0	0%
69	Block 1 Volumes		\$0.0983	0	480,000	47,184		0.1121	53,808	\$6,624	14%
70	Block 2 Volumes		\$0.0640	0	1,357,750	86,896		0.0730	99,095	\$12,199	14%
71	Block 3 Volumes		\$0.0279	0	0	0		0.0318	0	\$0	0%
72	Demand Volumes		\$1.6283	0	85,240	138,796		1.6283	138,796	\$0	0%
73	260 - TRANSP (280/240 ECON DEV - DEMAND/COMM)	\$310.000		0	0	0	310.00		0	\$0	0%
74	Block 1 Volumes		\$0.0737	0	0	0		0.0841	0	\$0	0%
75	Block 2 Volumes		\$0.0480	0	0	0		0.0547	0	\$0	0%
76	Block 3 Volumes		\$0.0209	0	0	0		0.0239	0	\$0	0%
77	Demand Volumes		\$1.2212	0	0	0		1.2212	0	\$0	0%
78	260 - TRANSP (250 OPT GS)	\$310.000		618	0	191,580	310.00		191,580	\$0	0%
79	Block 1 Volumes		\$0.0963	0	11,443,126	1,124,859		0.1121	1,282,774	\$157,915	14%
80	Block 2 Volumes		\$0.0640	0	29,653,190	1,897,804		0.0730	2,164,230	\$266,426	14%
81	Block 3 Volumes		\$0.0279	0	0	0		0.0318	0	\$0	0%
82	260 - TRANSP (280/250 ECON DEV - OPT GS)	\$310.000		0	0	0	310.00		0	\$0	0%
83	Block 1 Volumes		\$0.0983	0	0	0		0.1121	0	\$0	0%
84	Block 2 Volumes		\$0.0640	0	0	0		0.0730	0	\$0	0%
85	Block 3 Volumes		\$0.0480	0	0	0		0.0547	0	\$0	0%
86	SPECIAL CONTRACT (facility chg only)	\$18,475.040		12	10,338,770	221,700	18475.04		221,700	\$0	0%
87	SPECIAL CONTRACT COGEN (.040/.022 per Ccf)	\$400.000		12	0	4,800	400.00		4,800	\$0	0%
88	Block 1 Volumes		\$0.0400	0	4,282,500	171,300		0.0400	171,300	\$0	0%
89	Block 2 Volumes		\$0.0220	0	1,256,700	27,647		0.0220	27,647	\$0	0%
90	SPECIAL CONTRACT (\$0.015 PER Ccf)	\$310.000	\$0.0150	12	1,440,000	28,200	310.00	0.0170	28,200	\$0	0%
91	SPECIAL CONTRACT (\$0.021 PER Ccf)	\$310.000	\$0.0210	12	5,205,800	113,042	310.00	0.0210	113,042	\$0	0%
92	SPECIAL CONTRACT (\$0.042 PER Ccf)	\$310.000	\$0.0420	12	2,809,570	121,722	310.00	0.0420	121,722	\$0	0%
93	SPECIAL CONTRACT (Handbill \$0.02 per Ccf)	\$8,000.000	\$0.0200	12	9,107,190	278,144	8000.00	0.0200	278,144	\$0	0%
94											
95	Total Transportation			1,134	85,631,369	6,051,916			6,702,355	\$650,439	11%
96											
97	TOTALS			1,587,495	227,428,911	\$49,721,197			\$56,009,361	\$6,288,164	13%
98											
99	4870 - Forfeited Discount					\$1,210,387			\$1,210,387		
100	4880 - Miscellaneous Service charges					\$469,311			\$469,311		
101	TOTAL MARGIN REVENUES					<u>\$51,400,895</u>			<u>\$57,689,059</u>		

**ATMOS ENERGY CORPORATION**

**TENNESSEE REGULATORY AUTHORITY GAS TARIFF**  
**OF**  
**ATMOS ENERGY CORPORATION**

**Communications Regarding This Tariff  
Should be Addressed to:**

**Patricia J. Childers, VP Rates & Regulatory Affairs  
Atmos Energy Corporation  
810 Crescent Centre Drive, Suite 600  
Franklin, Tennessee 37067**

**Issued by:**  
**Date Issued:**

**Patricia J. Childers, VP Rates and Regulatory Affairs**  
**November 29, 2006**

**Effective Date: December 1, 2006**



TABLE OF CONTENTS

	<u>Sheet No.</u>
Table of Contents .....	1
Preliminary Statement .....	3
Service Areas .....	3
Rate Schedules	
210 Residential Gas Service .....	4
211 Residential and Small Commercial/Industrial Heating and Cooling Services .....	6
220 Commercial/Industrial Gas Service .....	8
221 School Gas Service .....	10
225 Public Housing Authority .....	12
230 Large Commercial/Industrial .....	14
240 Demand/Commodity Gas Service (Comm./Ind.) .....	16
250 Optional Gas Service .....	19
260 Transportation Service .....	21
280 Economic Development Rate .....	25
291 Negotiated Gas Service .....	28
292 Cogeneration, Compressed Natural Gas, Prime Mover, Fuel Cell Service .....	30
293 Large Tonnage Air Conditioning Gas Service .....	32
294 Emergency Service .....	34
Purchased Gas Adjustment Rider .....	35
Margin Loss Recovery Rider .....	44
Capacity Assignment Credit Rider .....	45
Weather Normalization Adjustment (WNA) Rider .....	50
Environmental Cost Recovery Rider (ECRR) .....	51.1

Issued by:  
Date Issued:

Patricia J. Childers, VP Rates and Regulatory Affairs  
September 17, 2007

Effective Date: November 1, 2007

TABLE OF CONTENTS (Continued)Sheet No.

## General Rules and Regulations

1.	Definitions .....	52
2.	Customer Facilities and Responsibility .....	53
3.	Customer Credit and Deposits .....	54
4.	Billing .....	57
5.	Discontinuance and Restoration of..... Service	59
6.	Test of Metering Equipment at Customers..... Request	61
7.	Extension and Installation of Company .....	62 Facilities
8.	Curtailment of Gas Service .....	68
9.	Other Conditions and Services .....	69
10.	Franchise Tax .....	70

Issued by:  
Date Issued:Patricia J. Childers, VP Rates and Regulatory Affairs  
September 4, 2002

Effective Date: October 4, 2002

PRELIMINARY STATEMENT

Atmos Energy Corporation, sometimes herein referred to as "Company", is a public utility engaged in the business of distributing and selling natural gas at retail within its authorized service areas in the State of Tennessee, and subject to the jurisdiction of the Tennessee Regulatory Authority.

This tariff, containing replacement rates of Atmos Energy Corporation, is filed with the Tennessee Regulatory Authority in accordance with the applicable statutes of Tennessee and the applicable Rules and Regulations of that Commission.

Gas service will be provided to all bona fide applicants for service in accordance with the terms and conditions of Company's service regulations, and at Company's applicable rate schedules, as set forth in this tariff.

Areas Served

The Company serves several communities in Tennessee with natural gas purchased from various natural gas pipelines in accordance with separate and individual tariffs approved by the Federal Energy Regulatory Commission. The areas served by the Company and the natural gas pipeline supplier for such areas are as follows:

- Area 1 - Union City and adjacent areas supplied with gas purchased by the Company from Texas Gas Transmission Corporation in Obion County.
- Area 2 - Columbia, Shelbyville, Lynchburg, Maryville-Alcoa, and adjacent areas supplied with gas purchased by the Company from East Tennessee Natural Gas Company under its Zone 1 Rate Schedule in Maury, Bedford, Moore and Blount Counties.
- Area 3 - Franklin, Murfreesboro, Nolensville, and adjacent areas supplied with gas purchased by the Company from Texas Eastern Transmission Corporation in Rutherford and Williamson Counties.
- Area 4 - Johnson City, Elizabethton, Greeneville, Kingsport, Morristown, Bristol and adjacent areas supplied with gas purchased by The Company from East Tennessee Natural Gas Company under Zone 2 & 3 Rate Schedules in Hamblen, Sullivan, Carter, Washington, and Greene Counties.

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued: September 4, 2002

Effective Date: October 4, 2002

ATMOS ENERGY CORPORATION

RESIDENTIAL GAS SERVICE

Schedule 210: All Service Areas

Availability

Residential service is available within the Company's service area to single private residences, including the separate private units of apartment houses and other multiple dwellings, actually used for residential purposes, which are separately metered.

Character of Service

Natural gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area.

Customer Charge

A monthly customer charge of ~~\$13.00~~ \$15.00 for the months of October through April is payable regardless of the usage of gas.

A customer charge of ~~\$10.00~~ \$12.00 for the months of May through September is payable regardless of the usage of gas.

Monthly

All consumption, per Ccf    ~~\$.1308~~ \$0.1387

Minimum Bill

The minimum net monthly bill shall be the customer charge per month as described above.

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.

Gas Lights

For all gas light services, the charge for such services shall be based on actual usage through a metered source at this tariff rate. For all unmetered gas light services prior to August 17, 1990 the customer will be billed for twenty (20) Ccf per standard residential gas light. For all unmetered gas light service after August 17, 1990 the Company may estimate and determine the appropriate consumption of the light and charge the applicable rate under this rate schedule.

ATMOS ENERGY CORPORATION

RESIDENTIAL GAS SERVICE

Schedule 210: All Service Areas (Continued)

Purchased Gas Cost Adjustment

Bills for service are subject to the cost of purchased gas in accordance with the Purchased Gas Adjustment (PGA) Rider approved by the Tennessee Regulatory Authority.

Service Regulations

Gas service at these schedules will be furnished in accordance with the Company's General Rules and Regulations, copies of which are available for public reference during business hours at each of the Company's offices.

Senior Citizen- Low Income Discount

Qualifying customers certified by the Company will be eligible for the waiver of the customer charge and activation charge. To qualify, the customer must be 65 years of age or older with total household income of \$12,000 or less per year

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued:

Effective Date:

ATMOS ENERGY CORPORATION

RESIDENTIAL AND SMALL COMMERCIAL/INDUSTRIAL  
HEATING AND COOLING SERVICE

Schedule 211: All Service Areas

Availability

This service is available within the Company service area to single private residences, including the separate private units of apartment houses and other multiple dwellings, actually used for residential purposes, which are separately metered and which utilize natural gas for heating and cooling the conditioned space. This schedule is also available within the Company's service area to commercial/industrial customers using less than 5,000 Ccf per year and which utilize natural gas for heating and cooling the conditioned space. Cooling equipment must have a COP greater than 0.7. Any additional gas measured through this single meter will be billed at this rate.

This service is intended to assist in the development of natural gas heating and cooling technologies. This rate is designed to significantly increase energy savings which will improve the economics of the technology. This service will cease when either of the following criteria has been met.

- 1) One hundred customers have qualified for this service
- 2) The service expires for new customers ten years after November 15, 1995.

Customers that have qualified for this service prior to the expiration date will continue to receive service under this rate schedule as long as natural gas is utilized for both heating and cooling.

Character of Service

Natural gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area.

Customer Charge

A monthly customer charge of ~~\$10.00~~ \$12.00 is payable regardless of the usage of gas.

Monthly

All consumption, per Ccf                      \$.0667 \$0.0711

Minimum Bill

The minimum net monthly bill shall be the customer charge per month as described above.

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.

ATMOS ENERGY CORPORATION

RESIDENTIAL AND SMALL COMMERCIAL/INDUSTRIAL  
HEATING AND COOLING SERVICE

Schedule 211: All Service Areas

Gas Lights

For all gas light services, the charge for such services shall be based on actual usage through a metered source at this tariff rate. For all unmetered gas light services prior to August 17, 1990 the customer will be billed for twenty (20) Ccf per standard residential gas light. For all unmetered gas light services after August 17, 1990 the Company may estimate and determine the appropriate consumption of the light and charge the applicable rate under this rate schedule.

Purchased Gas Adjustment

Bills for service are subject to the cost of purchased gas in accordance with the Purchased Gas Adjustment (PGA) Rider approved by the Tennessee Regulatory Authority.

SERVICE REGULATIONS

Gas service at these schedules will be furnished in accordance with the Company's General Rules and Regulations, copies of which are available for public reference during business hours at each of the Company's offices.

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued:

Effective Date:

ATMOS ENERGY CORPORATION

COMMERCIAL/INDUSTRIAL GAS SERVICE

Schedule 220: All Service Areas

Availability

This schedule is available within the Company's service area to commercial/industrial customers using less than 135,000 Ccf per year for any purpose at the option of the Company, to the extent gas is available. This schedule is not available to residences, apartment or federal housing projects.

Character of Service

Natural gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area, or such higher delivery pressure as agreed upon by customer and Company.

Customer Charge

A monthly customer charge of \$27.50 \$30.00 is payable regardless of the usage of gas.

Monthly Rate

All Consumption, per Ccf \$-2049 \$0.2352

Minimum Bill

The minimum net monthly bill shall be the customer charge per meter as described above.

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.

Gas Lights

For all metered gas light services under this tariff, the charge for such service shall be based on actual usage through a metered source at this tariff rate. It shall be within the Company's discretion whether a gas light should be metered, however if the gas light is unmetered, the Company may estimate and determine the appropriate consumption of the light and charge the applicable rate under this rate schedule.



ATMOS ENERGY CORPORATION

COMMERCIAL/INDUSTRIAL GAS SERVICE

Schedule 220: All Service Areas (Continued)

Purchased Gas Cost Adjustment

Bills for service are subject to the cost of purchased gas in accordance with the Purchased Gas Adjustment (PGA) Rider approved by the Tennessee Regulatory Authority.

Service Regulations

Gas service at these schedules will be furnished in accordance with the Company's General Rules and Regulations, copies of which are available for public reference during business hours at each of the Company's offices.

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued:

Effective Date:

ATMOS ENERGY CORPORATION

EXPERIMENTAL SCHOOL GAS SERVICE

Schedule 221: All Service Areas

Availability

This service is available to existing or new state, county, city, and private educational institutions or universities eligible for accreditation by the Southern Association of Secondary Schools and Colleges utilizing natural gas through a single meter for primary heating and cooling of the conditioned space. Any additional gas measured through this single meter will be billed at this rate. Gas cooling equipment must have a coefficient of performance (COP) greater than 0.7.

This service is intended to assist in the development of the natural gas cooling market. This rate is designed to significantly increase energy savings which improves the economics of natural gas cooling. This service is experimental and will cease when any one of the following criteria has been met.

1. Ten (10) schools have qualified for this service.
2. 250,000 Mcf per year of estimated gas consumption has qualified for this service.
3. The experimental service expires on October 1, 2002.

Schools that have qualified for this service prior to October 1, 2002 will continue to receive service under this rate schedule as long as natural gas is utilized for both heating and cooling.

Character of Service

Natural gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area, or such higher delivery pressure as agreed upon by customer and Company.

Customer Charge

A monthly customer charge of \$27.50 \$30.00 is payable regardless of the usage of gas.

Monthly Rate

All Consumption, per Ccf    ~~\$0.983~~ \$0.1112

Minimum Bill

The minimum net monthly bill shall be the customer charge per meter as described above.

I

I

ATMOS ENERGY CORPORATION

EXPERIMENTAL SCHOOL GAS SERVICE

Schedule 221: All Service Areas (Continued)

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.

Purchased Gas Cost Adjustment

Bills for service are subject to the cost of purchased gas in accordance with the Purchased Gas Adjustment (PGA) Rider approved by the Tennessee Regulatory Authority.

Service Regulations

Gas service at these schedules will be furnished in accordance with the Company's General Rules and Regulations, copies of which are available for public reference during business hours at each of the Company's offices.

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued:

Effective Date:

ATMOS ENERGY CORPORATION

PUBLIC HOUSING AUTHORITY GAS SERVICE

Schedule 225: All Service Areas

Availability

This service is available within the Company's service area to any customer in a housing project using gas primarily for domestic purposes and under the ownership and control of a public housing authority or other governmental agency, which are master metered.

Character of Service

Natural gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area.

Customer Charge

A monthly customer charge of ~~\$13.00~~ \$15.00 for the months of October through April is payable regardless of the usage of gas.

A customer charge of ~~\$10.00~~ \$12.00 for the months of May through September is payable regardless of the usage of gas.

Minimum Bill

The minimum net monthly bill shall be the customer charge as described above.

Monthly Rate

All consumption, per Ccf    ~~\$1.308~~ \$1.387

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.

ATMOS ENERGY CORPORATION

PUBLIC HOUSING AUTHORITY GAS SERVICE

Schedule 225: All Service Areas (Continued)

Purchased Gas Cost Adjustment

Bills for service are subject to the cost of purchased gas in accordance with the Purchased Gas Adjustment (PGA) Rider approved by the Tennessee Regulatory Authority.

Service Regulations

Gas service at these schedules will be furnished in accordance with the Company's General Rules and Regulations, copies of which are available for public reference during business hours at each of the Company's offices.

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued: September 4, 2002

Effective Date: October 4, 2002

ATMOS ENERGY CORPORATION

LARGE COMMERCIAL/INDUSTRIAL GAS SERVICE

Schedule 230: All Service Areas

Availability

This service is available within the Company's service area to any commercial/industrial customers using more than 135,000 Ccf per year for any purpose at the option of the Company, to the extent gas is available.

Character of Service

Natural gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area, or at such higher delivery pressure as agreed upon by Customer and Company. Service under this rate schedule may be terminated by either party following twelve (12) months notice to the other party.

Customer Charge

A monthly customer charge of \$200.00 is payable regardless of the usage of gas.

Monthly Rate

All Consumption, per Ccf \$.1758 \$.2007

Minimum Bill

The minimum net monthly bill shall be the customer charge per meter as described above.

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.

Gas Lights

For all metered gas light services under this tariff, the charge for such service shall be based on actual usage through a metered source at this tariff rate. It shall be within the Company's discretion whether a gas light should be metered, however if the gas light is unmetered, the Company may estimate and determine the appropriate consumption of the light and charge the applicable rate under this rate schedule.

ATMOS ENERGY CORPORATION

LARGE COMMERCIAL/INDUSTRIAL GAS SERVICE

Schedule 230: All Service Areas (Continued)

Purchased Gas Cost Adjustment

Bills for service are subject to the cost of purchased gas in accordance with the Purchased Gas Adjustment (PGA) Rider approved by the Tennessee Regulatory Authority.

Service Regulations

Gas service at these schedules will be furnished in accordance with the Company's General Rules and Regulations, copies of which are available for public reference during business hours at each of the Company's offices.

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued:

Effective Date:

ATMOS ENERGY CORPORATION

DEMAND/COMMODITY GAS SERVICE

Schedule 240: All Service Areas

Availability

This service is available within the Company's service area to any commercial/industrial customers using at least 270,000 Ccf per year for any purpose at the option of the Company, to the extent gas is available.

Character of Service

Natural gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area, or at such higher delivery pressure as agreed upon by Customer and Company. Service under this rate schedule may be terminated by either party following twelve (12) months notice to the other party.

Customer Charge

A monthly Customer Charge of \$310.00 is payable regardless of the usage of gas.

Monthly Rate

Demand Charge

Per Unit of Billing Demand \$1.6283 per Ccf

Commodity Charge

First	20,000	Ccf Per Month	<del>\$-.0983</del>	\$ .1121
Next	480,000	Ccf Per Month	<del>\$-.0640</del>	\$ .0730
Over	500,000	Ccf Per Month	<del>\$-.0279</del>	\$ .0318

Minimum Bill

The minimum net monthly bill shall be the Customer Charge per meter plus the Monthly Demand Charge as described above.

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.

I
I
I



ATMOS ENERGY CORPORATION

DEMAND/COMMODITY GAS SERVICE

Schedule 240: All Service Areas (Continued)

Billing Demand

The Billing Demand for the current month is effective October 1, 1992 and shall be redetermined effective November 1 of each successive year. The Billing Demand is the highest demand day in any of the previous billing months of November, December, January, February, and March.

Whenever a customer commences taking service under this Rate Schedule, the Billing Demand shall be 6% of monthly consumption in each month until redetermined as stated above.

Determination of Demand Day

The demand day shall be determined at the option of the Company by one of the following methods:

1. By measuring the maximum volume of gas taken by the Customer in any one day through the use of volume and pressure recording and measuring equipment installed by the Company.
2. When gas is delivered to a Customer through a positive displacement meter without the use of daily recording and measuring equipment, the maximum volume of gas taken in any one day during the billing month shall be 6% of the total volume of gas used by the customer during such billing month.

The Company retains the option of installing recording and measuring equipment to determine the maximum volume of gas taken in any one day on the meter of any customer purchasing gas service under this Rate Schedule.

Measurement Data Collection Equipment

New customers served under this Rate Schedule after October 1, 1992 shall be required to pay for the cost and installation of measurement data collection and verification equipment, including applicable income taxes. All customers shall also be required to pay the cost of installation, maintenance and any monthly usage charges associated with telephone, power or other utilities or energy sources required for the operation of the data collection and verification equipment, including applicable income taxes. All customers shall also be required to provide adequate space in new or existing facilities for the installation of the data collection equipment.

Gas Lights

For all metered gas light services under this tariff, the charge for such service shall be based on actual usage through a metered source at this tariff rate. It shall be within the Company's discretion whether a gas light should be metered, however if the gas light is unmetered, the Company may estimate and determine the appropriate consumption of the light and charge the applicable rate under this rate schedule.

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued:

Effective Date:

ATMOS ENERGY CORPORATION

DEMAND/COMMODITY GAS SERVICE

Schedule 240: All Service Areas (Continued)

Purchased Gas Cost Adjustment

Bills for service are subject to the cost of purchased gas in accordance with the Purchased Gas Adjustment (PGA) Rider approved by the Tennessee Regulatory Authority.

Service Regulations

Gas service at these schedules will be furnished in accordance with the Company's General Rules and Regulations, copies of which are available for public reference during business hours at each of the Company's offices.

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued:

Effective Date:

ATMOS ENERGY CORPORATION

INTERRUPTIBLE GAS SERVICE

Schedule 250: All Service Areas

Availability

To any commercial or industrial customer using 270,000 Ccf or more per year, or 1,000 Ccf per day during off-peak periods. The Company recommends that the Customer has and maintains adequate standby facilities and an alternate fuel supply in order that gas deliveries hereunder may be interrupted at any time.

Customers that will utilize natural gas during off-peak periods only do not need to meet the volumetric annual requirement (i.e. 270,000 ccf or more per year) for eligibility under this schedule. Examples of customers utilizing natural gas during off-peak periods only would include, but is not limited to the following: asphalt plants, electric generating facilities, grain drying facilities, and farm irrigation systems. The Company recommends an adequate standby facility and alternate fuel supply for off-peak customers served under this schedule.

Deliveries to such customers shall be subject to curtailment at any time. Deliveries to such customers shall be subject to curtailment in whole or in part upon one-half (1/2) hour's notice.

Character of Service

Natural gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area, or such higher delivery pressure as agreed upon by customer and Company.

Customer Charge

A monthly customer charge of \$310.00 is payable regardless of the usage of gas.

Monthly Rate

First	20,000	Ccf used per month	<del>\$.0983</del> \$.1121
Next	480,000	Ccf used per month	<del>\$.0640</del> \$.0730
Over	500,000	Ccf used per month	<del>\$.0279</del> \$.0318

I
I
I

Minimum Bill

The minimum net monthly bill shall be \$310.00

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued:

Effective Date:

ATMOS ENERGY CORPORATION

INTERRUPTIBLE GAS SERVICE

Schedule 250: All Service Areas (Continued)

Purchased Gas Adjustment

Bills for service are subject to the cost of purchased gas in accordance with the Purchased Gas Adjustment (PGA) Rider approved by the Tennessee Regulatory Authority.

Curtailment Procedures

Notice of curtailment of service hereunder shall be given by the Company by telephone or otherwise not less than one-half (1/2) hour from time of curtailment. Upon receipt of such notice, the Customer shall immediately proceed to discontinue the use of service at the time and to the extent of the order. The Company shall notify the Customer by telephone or otherwise when service hereunder is to be restored and the Customer shall not resume service until such time as stated in the restoration notice.

Overrun Penalty

Volumes of gas taken at any time in excess of the amount stipulated by the Company in the curtailment notice as being available to Customer shall constitute overrun gas. A penalty of \$2.50 per Ccf of such overrun volumes shall be paid by Customer in addition to all over charges payable hereunder provided; however, Company has the right to waive any portion of the overrun penalty on a non-discriminatory basis for good cause.

Terms of Contract

Customer shall contract for service hereunder for a term of not less than one (1) year. Upon the expiration of any contract term, the contract shall be automatically renewed for a period of one (1) year. At any time following the first contract year, service may be terminated by either party following at least twelve (12) months notice to the other party.

Terms and Provisions of Service Under This Rate Schedule

Customers served under this Rate Schedule shall be required to pay for the cost and installation of measurement data collection and verification equipment, including applicable income taxes. Customers shall also be required to pay the cost of installation, maintenance and any monthly usage charges associated with telephone, power or other utilities or energy sources required for the operation of the data collection and verification equipment, including applicable taxes. Customers shall also be required to provide adequate space in new or existing facilities for the installation of the data collection equipment.

Service Regulations

Gas service at these schedules will be furnished in accordance with the Company's General Rules and Regulations, copies of which are available for public reference during business hours at each of the Company's offices.

ATMOS ENERGY CORPORATION

TRANSPORTATION SERVICE

Schedule 260: All Service Areas

A. Availability

This rate schedule provides for the transportation of gas received by the Company from the Connecting Pipeline Company for the Customer's account to that Customer's facilities. Service under this rate schedule is available to commercial and industrial customers using 100,000 Ccf or more per year. This rate schedule is offered as a companion to the customers existing sales rate schedule.

B. Definitions

For purposes hereof:

- (i) "Connecting Pipeline Company" means a pipeline supplier to the Company whose facilities in the sole judgment of the Company can be utilized to transport gas to the Company for delivery by the Company to the Customer under this rate schedule.
- (ii) "Transportation Imbalance" occurs when more or less gas is received by the Company from the Connecting Pipeline Company for the Customer's account, less the unaccounted for gas adjustment, than is delivered to that customer's facilities for the month. N
- (iii) "PGA Rider" means the Company's Purchased Gas Adjustment Rider, as amended and approved by the Tennessee Regulatory Authority from time to time.
- (iv) "Maximum Daily Quantity" (MDQ) means the maximum daily volume of gas, as determined by the Company based on Customer's historical metered volumes, that a Customer under this Rate Schedule will be allowed to nominate and have delivered into the Company's system for the Customer's account. N
- (v) "Operational Flow Order" (OFO) is any order from the Company or the Connecting Pipeline Company that requires transporter to hold to their daily allocated volumes or any other pipeline directive or any Company directive. The Company or the Connecting Pipeline Company may need to issue an OFO for various reasons. N

C. Terms and Provisions of Service Under This Rate Schedule

- (i) Except as expressly modified by the provisions of this rate schedule, all of the terms, provisions, and conditions of the rate schedule (as made effective by the Tennessee Regulatory Authority from time to time) applicable to Customer shall also apply to service by the Company to Customer under this rate schedule.
- (ii) The Customer must notify the Company on Company's standard form of the quantity of gas to be received by the Company from the Connecting Pipeline Company for the Customer's account during the billing month and the daily rate of delivery. This nomination must be received by the Company by the nomination deadline of the Connecting Pipeline Company for both first of the month nominations and mid-month changes. The quantity of gas received by the Company from the Connecting Pipeline Company for the Customer's account shall be based on the transportation nomination for that month. Adjustments will be made if the Connecting Pipeline Company's allocated volumes vary from the nominated volume. Daily nominations shall not exceed the Customer's Maximum Daily Quantity (MDQ) C

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued: April 1, 2008

Effective Date: April 1, 2008

## TRANSPORTATION SERVICE (Continued)

Schedule 260: All Service AreasC. Terms and Provisions of Service Under This Rate Schedule (Continued)

- (iii) The Customer is responsible for making all arrangements for transporting the gas from its source of supply to the Company's interconnection with the Connecting Pipeline Company unless other arrangements have been made between the Customer and the Company.
- (iv) The Customer shall warrant that they have good and legal title to all gas which Customer causes to be delivered into the Company's facilities and Customer shall hold the Company harmless from any loss or claim in regard to the same.
- (v) The Customer shall have the obligation to balance receipts of transportation gas by the Company at the Company's applicable Receipt Point(s) with deliveries of such gas by the Company to the Customer's Point of Delivery plus retention amounts pursuant to item (vi) below. Cash outs for Positive and Negative imbalances will be levied as described below.
- (a) Imbalance equals the volume of gas received by the Company from the Connecting Pipeline Company for the Customer's account minus the volume of gas delivered to the Customer's Point of Delivery.
- (b) Imbalance percentage equals the difference of the volume of gas received by the Company from the Connecting Pipeline Company for the Customer's account minus the volume of gas delivered to the Customer's Point of Delivery divided by the volume of gas received by the Company from the Connecting Pipeline Company for the Customer's account.
- (c) Cash out of Monthly Imbalances
- If the volume of gas delivered to the Customer's point of delivery is greater than the volume of gas received by the Company from the Connecting Pipeline Company for the Customer's account (negative imbalance), the Company will sell the difference in gas volumes to the Customer based on the highest index price for the respective Connecting Pipeline Company for any week beginning in the calendar month as published in *Natural Gas Week*, plus applicable pipeline fuel and transportation charges. If the volume of gas delivered to the Customer's point of delivery is less than the volume of gas received by the Company from the Connecting Pipeline Company for the Customer's account (positive imbalance), the Company will buy the difference in gas volumes from the Customer based on a price equal to the lowest index price for the respective Connecting Pipeline Company for any week beginning in the calendar month as published in *Natural Gas Week*, plus applicable pipeline fuel and transportation charges.
  - The monthly cash out bill will be based on the accumulated sum of the results of the formulas listed below such that and until the total monthly imbalance is fully accounted for:

<u>Cash out Price</u>			
<u>% of Imbalance</u>	<u>for Positive Imbalances</u>	<u>for Negative Imbalances</u>	
0% up to 5%	100%	100%	
5% up to 10%	85%	115%	
10% up to 15%	70%	130%	
15% up to 20%	60%	140%	
20% and over	50%	150%	

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued: April 1, 2008

Effective Date: April 1, 2008

## TRANSPORTATION SERVICE (Continued)

Schedule 260: All Service Areas(d) Operational Flow Orders (OFO)

1. Company will have the right to issue an Operational Flow Order that will require actions by the Customer to alleviate conditions that, in the sole judgment of the Company, jeopardize the operational integrity of Company's system required to maintain system reliability. Customer shall be responsible for complying with the directives set forth in the OFO. N
2. Upon issuance of an OFO, the Company will direct Customer to comply with one of the following conditions:
  - a. Customer must take delivery of an amount of natural gas from the Company that is no more than the hourly or daily amount being received by the Company from the Connecting Pipeline Company for the Customer's account. All volumes delivered to the Customer in excess of volumes received by the Company from the Connecting Pipeline Company for the Customer's account, that are in violation of the above condition, with the exception of a 5% daily tolerance, shall constitute an unauthorized overrun by Customer on the Company's system. Customer shall be charged a penalty of the greater of \$15.00 per dth or the Connecting Pipeline Company's tariff penalty rate, plus the Gas Daily Index price for the respective Connecting Pipeline Company for such unauthorized overruns during the OFO, or N
  - b. Customer must take delivery of an amount of natural gas from the Company that is no less than the hourly or daily amount being received by the Company from the Connecting Pipeline Company for the Customer's account. All volumes delivered to the Customer which are less than volumes received by the Company from the Connecting Pipeline Company for the Customer's account, that are in violation of the above condition, with the exception of a 5% daily tolerance, shall constitute an unauthorized delivery by Customer to Company. Customer shall be charged a penalty of the greater of \$15.00 per dth or the Connecting Pipeline Company's tariff penalty rate for such unauthorized delivery during the OFO. N
3. Any penalties charged due to unauthorized overruns or deliveries during an OFO will be in addition to any cash out charges described in Subsection C(v)(c) above. N
  - a. Customers' agents shall be allowed to aggregate their customers' usages for the purposes of balancing, pursuant to the Pooling Service in Section E. N

## TRANSPORTATION SERVICE (Continued)

Schedule 260: All Service Areas

- (vi) A percentage adjustment for lost and unaccounted for gas shall be made to the volumes of gas received by the Company from the Connecting Pipeline Company for the Customer's account, and the volumes of gas deliverable to the Customer under this rate schedule shall be reduced by such percentage. Such percentage shall be equal to the percent that unaccounted-for gas bore to total sendout as recorded by the Company during its most recent 12 months ended June. N
- (vii) If the rendition of service to Customer under this rate schedule causes the Company to incur additional charges from the Connecting Pipeline Company, Customer shall reimburse Company for all such charges. T
- (viii) All volumes transported under the terms of this rate schedule shall be included in the Purchased Gas Adjustment computations and included in the sales volumes of the Purchased Gas Adjustment computations. T
- (ix) The Customers served under this Rate Schedule shall be required to pay for the cost of, installation of, replacement of, and maintenance of measurement data collection and verification equipment, including applicable income taxes. Customers shall also be required to pay the cost of installation, maintenance and any monthly usage charges associated with dedicated telephone, power or other utilities or energy sources required for the operation of the data collection and verification equipment, including applicable income taxes. Customers shall also be required to provide adequate space in new or existing facilities for the installation of the data collection equipment. N
- (x) Once a customer elects and has qualified for service under this rate schedule, all services will be provided under the terms and conditions of this rate schedule for a term of no less than 12 months. At any time following the first six months of service under this rate schedule, service may be terminated by either party following at least six months written notice to the other party. After termination of this service, Customer may not re-elect for transportation service for a period of no less than 12 months after termination. N

D. RateCustomer Charge

A monthly customer charge of \$310.00 per meter is payable regardless of the usage of gas.

Monthly Demand Charge

The Customers eligible to receive service under companion Rate Schedule 240 shall be billed the applicable Monthly Demand Charge.

Monthly Rate

The Customer shall be billed for the quantity of gas delivered under this rate schedule at the monthly rate of the companion rate schedule, plus any applicable taxes or fees. N



ATMOS ENERGY CORPORATION

TRANSPORTATION SERVICE (Continued)

Schedule 260: All Service Areas

Minimum Bill

The minimum monthly bill shall be the Customer Charge plus the Monthly Demand Charge, if any, as described above.

E. Pooling Service

- (i) For the purpose of this section, A Pool Manager is defined as an entity which has been appointed by a customer or group of customers served under this rate schedule to perform the functions and responsibilities of requesting information, nominating supply, and other related duties. The Pool Manager shall have all of the rights under this Transportation Service as does a Customer transporting gas supply directly under this Transportation Service. N
- (ii) The Pool Manager will be responsible for arranging for volumes of transportation gas to meet the daily and monthly requirements of customers in the pool. The cash out provisions of Subsection C (v) shall be applied against the aggregate volume of all customers in a specific pool. The Pool Manager will be responsible for the payment of any monthly cash out payments, scheduling fees and any penalties incurred by a specific pool as a result of monthly, daily, or hourly imbalances. N
- (iii) The Company, at the Company's sole discretion, shall establish pooling areas by Connecting Pipeline, Pipeline zone, Company receipt point, geographic area, operational area, administrative or other appropriate parameters. N
- (iv) No customer shall participate in a Pool that does not individually meet the availability conditions of this rate schedule, and no customer shall participate in more than one pool concurrently. N
- (v) To receive service hereunder, the Pool Manager shall enter into a Pool Management Agreement with Company and shall submit an Agency Authorization Form for each member of the pool, signed by both Customer and its Pool Manager. N
- (vi) The Pool Manager shall submit a signed Pool Management Agreement and an Agency Authorization Form for each member of the pool at least 30 days prior to the beginning of a billing period when service under this rate schedule shall commence. A customer who terminates service under this rate schedule or who desires to change Pool Managers shall likewise provide Company with a written notice at least 30 days prior to the end of a billing period. N
- (vii) The Pool Manager shall upon request of the Company agree to maintain a cash deposit, a surety bond, an irrevocable letter of credit, or such other financial instrument satisfactory to Company in order to assure the Pool Manager's performance of its obligations under the Pool Management Agreement. In determining the level of the deposit, bond, or other surety to be required of the Pool Manager, the Company shall consider such factors, including , but not limited to, the following: the volume of natural gas to be transported on behalf of the Pool members, the general credit worthiness of the Pool Manager, and the Pool Managers prior credit record with the Company, if any. In the event that the Pool Manager defaults on its obligations under this rate schedule or the Pool Management Agreement, the company shall have the right to use such cash deposit, or proceeds from such bond, irrevocable letter of credit, or other financial instrument to satisfy the Pool Manager's obligation hereunder. Specific terms and conditions regarding credit requirements shall be included in the Pool Management Agreement. N

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued: April 1, 2008

Effective Date: April 1, 2008

ATMOS ENERGY CORPORATION

TRANSPORTATION SERVICE (Continued)

Schedule 260: All Service Areas

Company in a non-discriminatory manner, and such credit requirements may change as the requirements of the pool change.

- (viii) The Pool Manager shall notify the Company in writing of any changes in the composition of the pool at least 30 days prior to the beginning of the first billing period that would apply to the modified pool. N
  
- (ix) The Pool Management Agreement will be terminated by the Company upon 30 days written notice if a Pool Manager fails to meet any condition of this rate schedule. The Pool Management Agreement will also be terminated by the Company upon 30 days written notice if the Pool Manager has payments in arrears. Written notice of termination of the Pool Management Agreement shall be provided both to the Pool Manager and to the individual members of the pool by the Company. N
  
- (x) Company shall directly bill the Pool Manager for the monthly cash out charges, penalties, or other payments contained in this rate schedule. The monthly bill will be due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue. N
  
- (xi) Company shall directly bill the individual customers in the pool for all Customer Charges, Demand Charges, and Commodity Charges as provided for in either this rate schedule or its companion rate schedule. N

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued: April 1, 2008

Effective Date: April 1, 2008

## ECONOMIC DEVELOPMENT GAS SERVICE

Schedule 280: All Service AreasAvailability

Service under this Schedule is available to customers engaged in the manufacturing process at discounted or incentive rates. To be eligible for service under this schedule certain conditions must be met by the customer. Existing customers served under another rate schedule to be eligible for service under this rate schedule must contract for sufficient natural gas demand to produce an increase in consumption of 135,000 Ccf annually. New customers served under this rate schedule to be eligible must contract for at least 270,000 Ccf annually.

This Schedule is intended to allow the Company to offer incentive or discount type rates designed to enhance the Company's system utilization while encouraging industrial development within the Company's service areas.

Special Terms and Conditions

A contract shall be executed by the customer for a minimum of 4 years. The contract shall specify the customer's natural gas requirements.

To receive service under this rate schedule, the customer's written application to the Company shall include sufficient information to permit the Company to determine the customer's eligibility.

Qualifying consumption shall result from an increase in business activity and not merely from the resumption of normal operations following a period of abnormal operating conditions. If in the Company's opinion an abnormal operating period has occurred as a result of strike, equipment failure, or any other abnormal condition during the twelve (12) month period prior to the date of the application by the customer for service under this rate schedule, the Company shall adjust the customer's consumption to eliminate any abnormal condition. The Company through use of historical data shall determine "Base Load" for existing customers. Volumes and their associated Billing Demand used in excess of "Base Load" shall be considered "Qualifying Consumption" and eligible under this Schedule. Loads which are or have been served by the Company during all or part of the twelve (12) month period prior to service under this rate schedule, and which are relocated to another metering point within the Company's service area, shall not qualify for this rate schedule.

The existing facilities of the Company must be adequate in the judgment of the Company to supply the new or expanded natural gas requirements. If construction of new or expanded local facilities by the Company is required, the customer may be required to make a Contribution in Aid of Construction for the installed cost of such facilities. The Company will evaluate the customer's request for

## ECONOMIC DEVELOPMENT GAS SERVICE

Schedule 280: All Service Areas (continued)

service and determine the necessity of a contribution for construction of facilities based on the Extension of Service provisions of the General Terms and Conditions of the Company's filed tariff. The Company shall review the Customer's consumption each year to determine whether the Customer has fulfilled their projected usage requirement to remain eligible for service under this rate schedule.

Customer Charge

A monthly customer charge equivalent to the otherwise applicable companion tariff per meter is payable regardless of the usage of gas.

Monthly Rate

The following adjustment factors will be applied to the "Qualifying Consumption" and based on the rate schedule which would apply to the Customer absent this rate schedule. The customer may elect to begin service under this schedule on the first month or thirteenth month of service with the Company.

Billing Months		<u>Adjustment Factor</u>
<u>In Contract Year</u>		
1st	Through 12th	75.00%
13th	Through 24th	75.00%
25th	Through 36th	75.00%
37th	Through 48th	75.00%
After 48 Months		100.00%

Reporting Requirements

The Company shall file semiannual reports with the Tennessee Regulatory Authority within 30 days of the end of each six months. Reports shall include the following:

- (1) Identity of the new customer by account number
- (2) The value of the discount offered
- (3) The volume of gas sold to the customer in the preceding six months

No monthly report is required if the Company had no customers receiving a discount during the relevant period and had no customers which were evaluated for the discount and rejected during the relevant period.

Minimum Bill

The minimum monthly bill shall be the Customer Charge plus the Monthly Demand Charge, if any.

ECONOMIC DEVELOPMENT GAS SERVICE

Schedule 280: All Service Areas (continued)

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of 5% may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following the date of issue.

Purchased Gas Adjustment

Bills for service are subject to the cost of purchased gas in accordance with the Purchased Gas Adjustment (PGA) Rider approved by the Tennessee Regulatory Authority.

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued: September 4, 2002

Effective Date: October 4, 2002

NEGOTIATED GAS SERVICE  
RATE SCHEDULE 291: ALL SERVICE AREASAvailability

Gas service under this rate schedule is available to those customers having alternate fuel capability at the Company's discretion. This rate schedule is designed to permit the Company to meet alternate fuel and/or gas to gas competition. Service under this rate schedule shall be fully optional and subject to curtailment prior to optional customers on regular Rate Schedule 250.

The intent of this rate schedule is to provide the Company flexibility to sell gas at negotiated rates when the otherwise applicable tariff rates are non-competitive. The Company will make every effort to maximize recovery of base margins and fixed components of the purchased gas adjustment.

RateCustomer Charge

A monthly customer charge equivalent to the otherwise applicable companion tariff per meter is payable regardless of the usage of gas.

Commodity Charge

The rates charged under this rate schedule shall be negotiated monthly on a per customer basis. The Company may require supporting documents from the end-user certifying that the cost of available alternate supply is less than the otherwise applicable tariff rate. The maximum charge shall not exceed the sales rate schedule under which the customer would otherwise be charged. The minimum charge shall not be less than the commodity cost of gas plus \$.01 per Ccf.

Minimum Bill

The minimum monthly bill shall be the customer charge.

## NEGOTIATED GAS SERVICE (Continued)

RATE SCHEDULE 291: ALL SERVICE AREASPayment

Each monthly bill for service is due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.

Rate Schedule Subject to Change

The rates, terms, and conditions set forth in this rate schedule are subject to Company Rules and Regulations on file and approved by the Tennessee Regulatory Authority as provided by law.

Unauthorized Gas

In the event customer fails to discontinue the use of gas after one-half (1/2) hour notice that gas under this schedule is not available, all gas so used shall be paid for by the Customer at the rate charged the Company by the supplier for all such unauthorized gas in addition to all other charges payable under this rate schedule.

ATMOS ENERGY CORPORATION

COGENERATION, COMPRESSED NATURAL GAS, PRIME MOVERS, FUEL CELL SERVICE

Schedule 292: All Service Areas

Purpose

The purpose of providing service under this schedule is to increase utilization of system supplies and system capacity.

Applicability

This schedule is available to the extent gas supply and delivery capacity is available to commercial and industrial customers, existing or new, for use as a single prime fuel source to generate electrical and thermal energy in order to optimize efficiency. This schedule is also available for compressed natural gas for automobile and truck fleets and fuel cell service.

Eligibility

Eligible customers shall include those who are currently connected to the Company's gas main or who will become newly connected. In either case, service will be provided, at the Company's option, through a separate meter.

Character of Service

Natural gas with a heating value of approximately 100,000 Btu per hundred cubic feet, supplied through a single delivery point meter, at the standard equipment utilization pressure, or at such higher delivery pressure as approved by Company.

Rate

Customer Charge

A monthly charge of ~~\$27.50~~ \$30.00 for each customer regardless of the usage of gas.

Customer charge for adjacent connected load will not be duplicated, otherwise the facilities charge will be at the customer's regular schedule charge.

Monthly Charge

First	20,000	Ccf used per month	<del>\$.0983</del> \$.1121
Next	480,000	Ccf used per month	<del>\$.0640</del> \$.0730
Over	500,000	Ccf used per month	<del>\$.0279</del> \$.0318

I

I

I

I

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued:

Effective Date:



ATMOS ENERGY CORPORATION

COGENERATION, COMPRESSED NATURAL GAS, PRIME MOVERS, FUEL CELL SERVICE  
(Continued)

Schedule 292: All Service Areas

Payment

Each monthly bill for service is due when rendered at the rate shown above and shall be paid in full at any office of the Company within ten (10) days from the date mailed or otherwise delivered.

Contract

Customers shall contract for service hereunder for a term of not less than one (1) year. Upon the expiration of any contract term, the contract shall be automatically renewed for a period of one (1) year. At any time following the first contract year, service may be terminated by either party following at least six (6) months written notice to the other party.

Purchased Gas Adjustment

Bills for service are subject to the cost of purchased price in accordance with the Purchased Gas Adjustment (PGA) Rider approved by the Tennessee Regulatory Authority.

Service Regulations

Gas service at these schedules will be furnished in accordance with the Company's General Rules and Regulations, approved by the Tennessee Regulatory Authority, copies which are available for public inspection during regular business hours at each of the Company's offices.

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued:

Effective Date:

ATMOS ENERGY CORPORATION

LARGE TONNAGE AIR CONDITIONING GAS SERVICE

Schedule 293: All Service Areas

Purpose

The purpose of providing service under this schedule is to increase utilization of system supplies and system capacity.

Applicability

This schedule is available to the extent gas supply and delivery capacity is available to commercial and industrial customers whose requirements may include high load factor systems that provide chilled water, space conditioning, processing, and/or humidity control. These conditions may be accomplished by the utilization of absorption, gas engine driven or desiccant systems.

Eligibility

Eligible customers shall include those who are currently connected to the Company's gas main or who will become newly connected. In either case, service will be provided, at the Company's option, through a separate meter.

Character of Service

Natural gas with a heating value of approximately 100,000 Btu per hundred cubic feet, supplied through a single delivery point and a single meter, at the standard equipment utilization pressure or at such higher delivery pressure as approved by Company.

Rate

Customer Charge

A monthly charge of ~~\$27.50~~ \$30.00 for each customer is payable regardless of the usage of gas.

Customer charge for adjacent connected load will not be duplicated, otherwise the facilities charge will be at the customers regular schedule charge.

Monthly Charge

First	20,000	Ccf used per month	<del>\$.0983</del> \$.1121
Next	480,000	Ccf used per month	<del>\$.0640</del> \$.0730
Over	500,000	Ccf used per month	<del>\$.0279</del> \$.0318

I

I

I

I

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued:

Effective Date:

ATMOS ENERGY CORPORATION

LARGE TONNAGE AIR CONDITIONING GAS SERVICE (Continued)

Schedule 293: All Service Areas

Payment

Each monthly bill for service is due when rendered at the rate shown above and shall be paid in full at any office of the Company within ten (10) days from the date mailed or otherwise delivered.

Contract

Customers shall contract for service hereunder for a term of not less than one (1) year. Upon the expiration of any contract term, the contract shall be automatically renewed for a period of one (1) year. At any time following the first contract year service may be terminated by either party following at least six (6) months written notice to the other party.

Purchased Gas Adjustment

Bills for service are subject to the cost of purchased gas in accordance with the Purchased Gas Adjustment (PGA) Rider approved by the Tennessee Regulatory Authority.

Service Regulations

Gas service at these schedules will be furnished in accordance with the Company's General Rules and Regulations, approved by the Tennessee Regulatory Authority, copies which are available for public inspection during regular business hours at each of the Company's offices.

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued:

Effective Date:

## EMERGENCY SERVICE

RATE SCHEDULE 294: ALL SERVICE AREASAvailability

To any regular natural gas customer subject to curtailment of service under the provisions of Company's optional rate schedules provided such customer has installed a standby or alternate energy capability with such capability being inoperative or unavailable, or having exhausted all supplies or alternate energy, as a result of a bona fide existing, or threatened, emergency which would otherwise force discontinuance of customer's operations.

Rate

In addition to Regular Rate under which Customer receives gas service a charge of \$2.50 per Mcf, or \$.25 per Ccf.

Character of Service

1. Any Customer desiring gas deliveries under this schedule must request such from Company's Load Control Department on a day-to-day basis, and Company reserves the right to refuse such service and to discontinue the furnishing of such service at any time should Company deem it necessary.
2. When Customer requests and is authorized service under this schedule, such request will be recorded on Company's records, and Customer will be billed under this schedule for all volumes shown by Company's measuring equipment for the period commencing with the curtailment order and terminating at the time of release from curtailment, excluding any quantity of "firm gas" allowed by contract.
3. Gas deliveries under this schedule will be made from pipeline allocations when a surplus is available, or, at the election of Company, will be made from the gas storage facilities of the Company.
4. All other provisions of the current rate schedule under which Customer is receiving service shall apply.

## PURCHASED GAS ADJUSTMENT RIDER

I. General Provisions.

- A. This Purchased Gas Adjustment (PGA) Rider is intended to permit the Company to recover, in a timely fashion, the total cost of gas purchased for delivery to its customers and to assure that the Company does not over-collect or under-collect Gas Costs from its customers.
- B. This Rider is intended to apply to all Gas Costs incurred in connection with the purchase, transportation and/or storage of gas purchased for general system supply, including, but not limited to, natural gas purchased from interstate pipeline transmission companies, producers, brokers, marketers, associations, intrastate pipeline transmission companies, joint ventures, providers of liquefied natural gas (LNG), liquefied petroleum gas (LPG), substitute, supplemental or synthetic natural gas (SNG), and other hydrocarbons used as feed-stock, other distribution companies and end-users, whether or not Gas Costs are regulated by the Federal Energy Regulatory Commission and whether or not the provider of the gas, transportation or storage is affiliated with the Company.
- C. To the extent practicable, any revision in the PGA shall be filed with the Tennessee Regulatory Authority no less than thirty (30) days in advance of the proposed effective date and shall be accompanied by the computations and information required by this Rider. It is recognized, however, that in many instances the Company receives less than 30 days notice from its Suppliers and that other conditions may exist which may prevent the Company from providing 30 days advance notice. Therefore, should circumstances occur where information necessary for the determination of an adjustment under this Rider is not available to the Company so that the thirty (30) days requirement may be met, the Company may, upon good cause shown, be permitted to place such rates into effect with shorter advance notice.
- D. The rates for gas service set forth in all of the Rate Schedules of the Company shall be adjusted pursuant to the terms of the PGA, or any specified portion of the PGA as determined by individual Rate Schedule(s).
- E. No provision of this Rider shall supersede any provision of a Special Contract approved by the Tennessee Regulatory Authority.

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued: September 4, 2002

Effective Date: October 4, 2002

## PURCHASED GAS ADJUSTMENT RIDER (Continued)

II. Definitions.

- A. "Gas Costs" -- shall mean the total delivered cost of gas paid or to be paid to Suppliers, including, but not limited to, all commodity/gas charges, demand charges, peaking charges, surcharges, emergency gas purchases, over-run charges, capacity charges, standby charges, gas inventory charges, minimum bill charges, minimum take charges, take-or-pay charges and take-and-pay charges (except as provided below), storage charges, service fees and transportation charges and any other similar charges which are paid by the Company to its gas suppliers in connection with the purchase, storage or transportation of gas for the Company's system supply.
- B. "Fixed Gas Costs" -- shall mean all Gas Costs based on the Company's right to demand gas or transportation on a daily or seasonal peak; but unless otherwise ordered by the Commission, shall not include other charges paid for gas reserve dedication (e.g., reservation fees and gas inventory charges), minimum bill charges, minimum take charges, over-run charges, emergency gas charges, take-or-pay charges or take-and-pay charges (all of which shall be considered commodity costs).
- C. "Gas Charge Adjustment" -- shall mean the per unit amount billed by the Company to its customers solely for Gas Costs. The Gas Charge Adjustment shall be separately stated for firm customers and for non-firm customers.
- D. "Suppliers" -- shall mean any person or entity, including affiliates of the Company, who locates, purchases, sells, stores and/or transports natural gas or its equivalent for or on behalf of the Company. Suppliers may include, but not be limited to, interstate pipeline transmission companies, producers, brokers, marketers, associations, intrastate pipeline transmission companies, joint ventures, providers of LNG, LPG, SNG, and other hydrocarbons used as feed-stock, other distribution companies and end-users.
- E. "Computation Period" -- shall mean the twelve (12) month period utilized to compute Gas Costs. Such period shall be the twelve (12) month period ending on the last day of a month which is no more than 62 days prior to the filing date of a PGA.
- F. "Demand Billing Determinants" -- shall mean the annualized volumes for which the Company has contracted with Suppliers as of the first day of the Filing Month.
- G. "Commodity Billing Determinants" -- shall mean the total metered throughput, regardless of source, during the Computation Period, adjusted

## PURCHASED GAS ADJUSTMENT RIDER (Continued)

for known and measurable changes. Should the Company expect to purchase commodity gas from several Suppliers, the Company shall allocate to each supplier a percentage of the total metered throughput, regardless of source, during the Computation Period, adjusted for known and measurable changes. The percentage used to allocate among Suppliers shall be based on historical takes during the Computation Period, if appropriate; otherwise it shall be based upon the best estimate of the Company.

- H. "Filing Month" -- shall mean the month in which a proposed revision is to become effective.

III. Computation and Application of the PGA.

The Purchased Gas Adjustment shall consist of three major components: (1) the Gas Charge Adjustment; (2) the Refund Adjustment; and (3) the Actual Cost Adjustment (ACA).

A. Computation of Gas Charge Adjustment.

The Company shall compute the jurisdictional Gas Charge Adjustment at such time that the Company determines that there is a significant change in its Gas Costs.

1. Formulas. The following formulas shall be used to compute the Gas Charge Adjustment:

$$\text{Firm GCA} = \frac{D + DACA - DB}{SF} + \frac{P + T + SR + CACA - CB}{SF}$$

$$\text{Non-Firm GCA} = \frac{(P + T + SR + CACA) - CB}{ST}$$

2. Definitions of Formula Components.

GCA = The Gas Charge Adjustment in dollars per Ccf/therm, rounded to no more than five decimal places.

D = The sum of all fixed Gas Costs.

DACA = The demand portion of the ACA.

P = The sum of all commodity/gas charges.

T = The sum of all transportation charges.

## PURCHASED GAS ADJUSTMENT RIDER (Continued)

SR	=	The sum of all FERC approved surcharges.
CACA	=	The commodity portion of the AGA.
DB	=	The per unit rate of demand costs or other fixed charges included in base rates in the most recently completed general rate case (which may be zero if the Company so elects and the Tennessee Regulatory Authority so approves).
CB	=	The per unit rate of variable Gas Costs included in base rates in the most recently completed general rate case (which may be zero if the Company so elects and the Tennessee Regulatory Authority so approves).
SF	=	Firm sales.
ST	=	Total sales.

## 3. Determination of Factors for Gas Charge Adjustment.

## a. Demand Charges (Factor D)

All fixed Gas Costs that do not vary with the amount of gas purchased or transported, including but not limited to, the product resulting from the multiplication of (1) the respective Demand Billing Determinants by (2) the demand rates effective the first day of the Filing Month and (3) any fixed storage charges.

## b. Demand Actual Cost Adjustment (Factor DACA)

See Subsection C of Section III.

## c. Purchased Commodity Charges (Factor P)

All commodity or other variable gas costs associated with the amount of gas purchased or transported including, but not limited to, the product resulting from the multiplication of (1) the respective Commodity Billing Determinants by (2) the respective supplier's commodity/gas rate which are known, or it not known



## PURCHASED GAS ADJUSTMENT RIDER (Continued)

which are reasonably anticipated, to be in effect on the first day of the Filing Month.

## d. Transportation Charges (Factor T)

The transportation charges actually invoiced to the Company during the Computation Period or expected to be invoiced to the Company during the current period.

## e. FERC Approved Surcharges (Factor SR)

The sum of all FERC approved surcharges, including gas inventory charges or its equivalent, actually invoiced or expected to be invoiced to the Company during the Computation Period or to be effective the first day of the Filing Month by respective Suppliers.

## f. Actual Cost Adjustment (Factor ACA)

See Subsection C of Section III.

## g. Firm Sales (Factor SF)

The total volumes billed to the Company's firm customers during the Computation Period, regardless of source, adjusted for known and measurable changes.

## h. Total Sales (Factor ST)

Total volumes billed to all the Company's customers during the Computation Period, regardless of source, adjusted for known measurable changes.

## 4. Modification of Formulas

The formulas set forth above are not designed for use with two-part demand/commodity rate schedules; therefore, the formulas may be modified for use with such rate schedules. In addition, the formulas may be modified from time to time to carry out the intent of this PGA Rider. Any amendment to the formulas shall be effective on the proposed effective date of the amendment unless the Tennessee Regulatory Authority shall act to suspend the proposed amendment within thirty days after the filing of the proposed amendment, in which case the proposed amendment shall be subject to notice and hearing.

## PURCHASED GAS ADJUSTMENT RIDER (Continued)

## 5. Filing with the Tennessee Regulatory Authority.

The computation of the Gas Charge Adjustment shall be filed in accordance with the notice requirements specified in Subsection C of Section I of this Rider, and shall remain in effect until a revised Gas Charge Adjustment is computed and filed pursuant to this Rider.

The Company shall file with the Tennessee Regulatory Authority a transmittal letter, an exhibit showing the computation of the Gas Charge Adjustment, a PGA tariff sheet, and any applicable revised tariff sheets issued by Suppliers.

The transmittal letter shall state the PGA tariff sheet number, the service area(s), the primary reasons for revision, and the effective date.

If the Company proposes to recover any Gas Costs relating to (1) any payments to an affiliate or (2) any payments to a non-affiliate for emergency gas, over-run charges, take-or-pay charges and take-and-pay charges (except as provided below) or (3) the payment of any demand or fixed charges in connection with an increase in contract demand, the Company must file with the Tennessee Regulatory Authority a statement setting forth the reasons why such charges were incurred and sufficient information to permit the Tennessee Regulatory Authority to determine if such payments were prudently made under the conditions which existed at the time the purchase decisions were made.

Any filing of a rate change under this Rider shall be effective on the proposed effective date unless the Tennessee Regulatory Authority shall act to suspend the proposed change within thirty days after filing, in which case the filing shall be subject to notice and hearing.

The recovery of pipeline take-or-pay charges which were the subject of Docket No. U-87-7590 shall continue to be handled under procedures approved by the Tennessee Regulatory Authority in that docket until such time as such procedures may be modified or amended by further order of the Tennessee Regulatory Authority.

## B. Refund Adjustment.

The Refund Adjustment shall be separately stated for firm and non-firm customers, and may be either positive or negative.

## PURCHASED GAS ADJUSTMENT RIDER (Continued)

## 1. Computation of Refund Adjustment.

The Company shall compute a Refund Adjustment on the last day of each calendar quarter using the following formulas:

$$\text{Firm RA} = \left[ \frac{\text{DR1} - \text{DR2}}{\text{SFR}} \right] + \left[ \frac{\text{CR1} - \text{CR2} + \text{CR3} + i}{\text{STR}} \right]$$

$$\text{Non-Firm RA} = \left[ \frac{\text{CR1} - \text{CR2} + \text{CR3} + i}{\text{STR}} \right]$$

## 2. Definitions of Formula Components

- RA = The Refund Adjustment in dollars per Ccf/therm, rounded to no more than five decimal places.
- DR1 = Demand refund not included in a currently effective Refund Adjustment, and received from Suppliers by check, wire transfer, or credit memo.
- DR2 = A demand surcharge from a Supplier not includable in the Gas Charge Adjustment, and not included in a currently effective Refund Adjustment.
- CR1 = Commodity refund not included in a currently effective Refund Adjustment, and received from Suppliers by check, wire transfer, or credit memo.
- CR2 = A commodity surcharge from a supplier not includable in the Gas Charge Adjustment, and not included in a currently effective Refund Adjustment.
- CR3 = The residual balance of an expired Refund Adjustment.
- i = Interest on the "Refund Due Customers' Account," using the average monthly balance based on the beginning and ending monthly balances. The interest rates for each calendar quarter used to compute such interest shall be a rate 2% below the arithmetic mean (to the nearest one-hundredth of one percent) of the prime rate value published in the "Federal Reserved Bulletin" or in the Federal Reserve's "Selected Interest Rates" for the 4th, 3rd, and 2nd months preceding the 1st month of the calendar quarter.

## PURCHASED GAS ADJUSTMENT RIDER (Continued)

SFR = Firm sales as defined in the Gas Charge Adjustment computation, less sales under a transportation or negotiated rate schedule.

STR = Total sales as defined in the Gas Charge Adjustment computation, less sales under a transportation or negotiated rate schedule.

3. Modification of Formula.

The formulas set forth above are not designed for use with two-part demand/commodity rate schedules; therefore, the formulas may be modified for use with such rate schedules. In addition, the formulas may be modified from time to time to carry out the intent of this PGA Rider. Any amendment to the formulas shall be effective on the proposed effective date of the amendment unless the Tennessee Regulatory Authority shall act to suspend the proposed amendment within thirty days after the filing of the proposed amendment, in which case the proposed amendment shall be subject to notice and hearing.

4. Filing with the Tennessee Regulatory Authority.

The computation of the Refund Adjustment shall be filed in accordance with the notice requirements specified in Subsection C of Section I this Rider, and shall remain in effect for a period of twelve (12) months or for such longer or shorter period of time as required to appropriately refund the applicable refund amount.

The Company shall file with the Tennessee Regulatory Authority a transmittal letter, exhibits showing the computation of the Refund Adjustment and interest calculations, and a PGA tariff sheet. The transmittal letter shall state the PGA tariff sheet number, the service area(s), the reason for adjustment, and the effective date. Should the Company have a Gas Charge Adjustment filing to become effective the same date as a Refund Adjustment, a separate transmittal letter and PGA tariff sheet shall not be necessary.

C. Actual Cost Adjustment.

Commencing with the initial effective date of this Rider,

## PURCHASED GAS ADJUSTMENT RIDER (Continued)

the Company shall calculate the ACA monthly. The Company may, at its option, file monthly to include the ACA in its calculation of the Gas Charge Adjustment but shall be required to do so at least annually. The ACA shall be the difference between (1) revenues billed customers by means of the Gas Charge Adjustment and (2) the cost of gas invoiced the Company by Suppliers plus margin loss (if allowed by order of the Tennessee Regulatory Authority in another docket) as reflected in the Deferred Gas Cost account. The balance of said account shall be adjusted for interest at the rate provided for the calculation of interest with respect to the Refund Adjustment. The ACA shall be segregated into demand and commodity, and shall be added to or deducted from, as appropriate, the respective demand and commodity costs included in the Gas Charge Adjustment. Supplemental sheets showing the calculations of margin losses and cost savings shall also be provided.

## D. Adjustments to Prior Period ACAs.

In the event that circumstances warrant a correction to or restatement of a prior period ACA, such correction or restatement shall be made in accordance with the ACA calculation in effect for the time period(s) to which the correction or restatement relates. The resulting adjustment shall then be added to or deducted from the appropriate ACA in the next ensuing ACA filing with the Tennessee Regulatory Authority.

## E. Annual Filing with the Tennessee Regulatory Authority.

Each year the Company shall file with the Tennessee Regulatory Authority an annual report reflecting the transactions in the Deferred Gas Cost Account. Unless the Tennessee Regulatory Authority provides written notification to the Company within 90 days, the Deferred Gas Cost Adjustment Account shall be deemed in compliance with the provisions of this Rider.

## IV. Gas Cost Accounting.

To appropriately match revenues with cost of purchased gas as contemplated under this rule, the Company shall originally record the cost of purchased gas in a "Deferred Gas Cost" account. Monthly, the Company shall debit "Natural Gas Purchases" with an amount equal to any gas cost component included in the Company's base tariff rates (base rate) plus the PGA rate, as calculated hereunder, multiplied by the appropriate sales volumes billed to customers. The corresponding monthly credit entry shall be made to the "Deferred Gas Cost" account.

MARGIN LOSS RECOVERY RIDERIntent and Applicability

This Margin Loss Recovery Rider is intended to authorize the Company to recover not more than ninety percent (90%) of the gross profit margin losses that result from rates negotiated under the provisions of Rate Schedule 291 or from customers who transfer from Rate Schedule 240 to optional service.

Determination of Gross Profit Margin Losses

The gross profit margin loss shall be calculated as ninety percent (90%) of the difference between the normally applicable Rate Margin as determined in the Company's most recent rate case order of the Tennessee Regulatory Authority and the Actual Negotiated Rate Margin and/or the margin loss incurred from the transfer of customers from Rate Schedule 240 to optional service. Any amount of gross profit margin losses shall be recovered from the commodity component of gas costs as determined under the presently effective Purchased Gas Adjustment Rider.

Filing With the Tennessee Regulatory Authority

Each gross profit margin loss accounting/recovery period shall correspond with the Company's Actual Cost Adjustment period.

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued: September 4, 2002

Effective Date: October 4, 2002

CAPACITY ASSIGNMENT CREDIT RIDERApplicability

The intent of this Rider is to allow the Company during certain periods to enter into contractual agreements with others to temporarily assign or release capacity held by the Company. The specific terms of such assignment and/or release shall be set forth in a contract between the Company and the assignee/lessee. Contracts with customers within the Company's service territories shall be filed with and approved by the Tennessee Regulatory Authority.

Determination of Capacity Assignment Credit

Revenues related to commodity costs, fuel and related surcharges shall be a credit to the Deferred Gas Cost Account. Revenues related to any fixed demand costs, related surcharges and any additional administrative charges levied by the Company and/or its subsidiary shall be shared between the Company's customers and the Company on a 90%/10% basis.

Filing With the Tennessee Regulatory Authority

The determination period of any revenues to be credited to the Deferred Gas Cost Account shall correspond with the Company's Reconciliation Year which ends June 30 each year. Supporting documentation of these transactions shall be maintained by the Company and made available to the Tennessee Regulatory Authority upon request.

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued: September 4, 2002

Effective Date: October 4, 2002

T.R.A. No.1

PERFORMANCE BASED RATEMAKING MECHANISM RIDERApplicability

The Performance-Based Ratemaking Mechanism (the PBRM) replaces the reasonableness or prudence review of the Company's gas purchasing activities overseen by the Tennessee Regulatory Authority (the Authority) in accordance with Rule 1220-4-7-.05, Audit of Prudence of Gas Purchases. This PBRM is designed to encourage the utility to maximize its gas purchasing activities at minimum costs consistent with efficient operations and Service reliability, and will provide for a shared savings or costs between the utility's customers and share holders. Each plan year will begin April 1. The annual provisions and filings herein will apply to this annual period. The PBRM will continue until it is either (a) terminated at the end a plan year by not less than 90 days notice by the Company to the Authority or (b) modified, amended or terminated by the Authority.

Overview of Structure

The Performance-Based Ratemaking Mechanism consists of two parts:

Gas Procurement Incentive Mechanism  
Capacity Management Incentive Mechanism

The Gas Procurement Incentive Mechanism establishes a predefined benchmark index to which the Company's commodity cost of gas is compared. It also addresses the use of financial instruments or private contracts in managing gas costs. The net incentive savings or costs will be shared between the Company's customers and the Company on a 50% / 50% basis.

The Capacity Management Incentive Mechanism is designed to encourage the Company to actively market off-peak unutilized transportation and storage capacity on upstream pipelines in the secondary market. The net incentive benefits will be shared between the Company's customers and the Company on a 90% /10% basis.

The Company is subject to a cap on overall incentive savings or costs on both mechanisms of \$ 1.25 million annually.

Gas Procurement Incentive Mechanism**Commodity Costs:**

On a monthly basis, the Company will compare its commodity cost of gas to the appropriate benchmark amount. The benchmark amount will be computed by multiplying actual purchase quantities for the month, including quantities purchased for injection into storage, by the appropriate price index. For monthly spot

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued: September 4, 2002

Effective Date: October 4, 2002

T.R.A. No.1  
1st Revised Sheet No. 45.2



purchases, the price index will be a simple average of the appropriate *Inside FERC Gas Market Report*, *Natural Gas Intelligence*, and NYMEX indexes for that particular month. For swing purchases, the published *Gas Daily* rate for the first business day of gas flow will be used as the index. For long-term purchases, i.e., a term more than one month, these indexes will be adjusted for the Company's rolling three-year average premium paid to ensure long-term supply availability during peak periods. For city gate purchases, these indexes will be adjusted for the avoided transportation costs that would have been paid if the upstream capacity were purchased versus the demand charges actually paid to the supplier.

Gas purchases under the Company's existing seven-year Nora supply contract effective November 1, 1993, will be excluded from the incentive mechanism. The Company will continue to recover 100% of the Nora and through its PQA with no savings or loss potential. If, upon the expiration of the current Nora contract if the Company continues to operate under the PBRM, the contract is renewed or renegotiated, it will be considered for inclusion in the PBRM at that time.

If the total commodity cost of gas in a month falls within a deadband of 97.7% to 102% of the total of the benchmark amounts, there will be no incentive savings or costs. If the total commodity cost of gas falls outside of the deadband, the amount falling outside of the deadband shall be deemed incentive savings or costs under the mechanism. Such savings or costs will be shared 50/50 between the Company's customers and the Company. At the end of each three-year period, the deadband will be readjusted to 1% below the most recent annual audited results of the incentive plan.

#### **Financial Instruments or Other Private Contracts**

To the extent the Company uses futures contracts, financial derivative products, storage swap arrangements, or other private agreements to hedge, manage or reduce gas costs, any savings or costs will flow through the commodity cost component of the Gas Procurement Incentive Mechanism.

#### **Capacity Management Incentive Mechanism**

To the extent the Company is able to release daily transportation or daily storage capacity, the associated savings will be shared by the Company's customers and the Company on a 90/10 basis. The sharing percentages shall be determined based on the actual demand costs incurred by the Company (exclusive of credits for capacity release) for transportation and storage capacity during the plan year, as such costs may be adjusted due to refunds or surcharges from pipeline and storage suppliers. Any incentive savings or cost, resulting from adjustments to the sharing percentages caused by refunds or surcharges shall be recorded in the current Incentive Plan Account (IPA).

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued: September 4, 2002

Effective Date: October 4, 2002

**ATMOS ENERGY CORPORATION**

**Affiliate Transactions**

The following guidelines present the minimum conditions deemed necessary to ensure that affiliate transactions between the Company and its affiliate(s) do not result in a competitive advantage over others providing similar services. These guidelines will remain in effect as long as the Company is operating under a performance based ratemaking plan. We note that these guidelines may fail to anticipate certain specific methods by which such advantages may be conferred by the Company on its marketing affiliates. All parties should be aware that to the extent such instances arise in the future, they will be judged according to this stated intent.

**Definitions:**

Terms used in these guidelines have the following meanings:

1. Affiliate, when used in reference to any person in this standard, means another person who controls, is controlled by, or is under common control with, the first person.
2. Control (including the terms "controlling", "controlled by", and "under common control with"), as used in this standard, includes, but is not limited to, the possession, directly or indirectly and whether acting alone or in conjunction with others, of the authority to direct or cause the direction of the management or policies of a company. Under all circumstances, beneficial ownership of more than ten percent (10%) of voting securities or partnership interest of an entity shall be deemed to confer control for purposes of these guidelines of conduct.
3. Marketing, as used in this standard, means selling or brokering natural gas to any person or entity, including the Company, by a seller that is not a local distribution company.

**RFP Procedures for Selection of Asset Manager and/or Gas Provider:**

1. In each instance in which Atmos Energy Corporation (Company) intends to engage the services of an asset manager to provide system gas supply requirements and/or manage its assets regulated by the Tennessee Regulatory Authority (TRA), the Company shall develop a written request for proposal (RFP) defining the Company's assets to be managed and detailing the Company's minimum service requirements. The RFP shall also describe the content requirements of the bid proposals and shall include procedures for submission and evaluation of the bid proposals.
2. The RFP shall be advertised for a minimum period of thirty (30) days through a systematic notification process that includes, at a minimum, contacting potential asset managers, including past bidders and other approved asset managers, and publication in trade journals as reasonably available. This thirty (30) day minimum period may be shortened with the written consent of the TRA Staff to a period of not less than fifteen (15) days.
3. The procedures for submission of bid proposals shall require all initial and follow-up bid proposals to be submitted in writing on or before a designated proposal deadline. The Company shall not accept initial or follow-up bid proposals that are not written, or that are submitted after the designated proposal deadline. Following receipt of initial bid proposals, and on a non-discriminatory basis, the Company may solicit follow-up bid proposals in an effort to obtain the most overall value for the transaction.

- N
4. All initial and follow-up bid proposals shall be evaluated as they are received. The criteria for choosing the winning bid proposal shall include, at a minimum, the following: (a) the total value of the bid proposal; (b) the bidder's ability to perform the RFP requirements; (c) the bidder's asset management qualifications and experience; and (d) the bidder's financial stability and strength. The winning bid proposal shall be the one with the best combination of attributes based on the evaluation criteria. If, however, the winning bid proposal is lower in amount than any other initial or follow-up bid proposal(s), the Company shall explain in writing to the TRA why it rejected each higher bid proposal in favor of the lower winning bid proposal. The Company shall maintain records demonstrating its compliance with the evaluation and selection procedures set forth in paragraph 4 above.
- N
5. An incumbent asset manager shall not be granted an automatic right to match a winning bid proposal. If the incumbent asset manager desires to continue its asset management relationship with the Company after expiration of its asset management agreement, it shall submit a written bid proposal in accordance with the Company's RFP procedures. The bid proposal shall be evaluated pursuant to the procedures set forth in paragraph 4 above.
- N
6. The Company May develop additional procedures for asset management selection as it deems necessary and appropriate so long as such procedures are consistent with the agreed-upon procedures described herein.
- N
7. The Company shall retain all RFP documents and records for at least four (4) years and such documents and records shall be subject to the review and examination of the TRA staff. The Asset Manager shall maintain documents and records of all transactions that utilize the Company's gas supply assets. All documents and records of such transactions shall be retained for two years after termination of the agreement and shall be subject to review and examination by the Company and the TRA Staff.

**Standards of Conduct:**

The Company must conduct its business to conform to the following standards:

1. If there is discretion in the application of tariff provisions, then the Company must apply such provisions relating to any service being offered in a consistent manner to all similarly situated entities.
2. The Company must strictly enforce a tariff provision for which there is no discretion in the application of the provision.
3. The Company must process all similar requests for services in the same manner and within the same period of time.
4. The Company may not give its marketing affiliate preference over nonaffiliated companies in natural gas supply procurement activities.
5. The Company may not give its marketing affiliate preference over nonaffiliated companies in its upstream capacity release activities.

6. The Company may not disclose to its marketing affiliate any information that the local distribution company receives from a non-affiliated marketer, unless the prior written consent of the parties to which the information relates has been voluntarily given.
7. To the extent the Company provides information related to its natural gas supply activities and upstream capacity release activities, it must do so contemporaneously to all nonaffiliated marketers, that have submitted a written request for such information to the Company.
8. To the extent the Company provides information related to natural gas services being offered to a marketing affiliate, it must do so contemporaneously to all non-affiliated marketers, that have submitted a written request for such information to the Company.
9. In transactions that involve either the purchase or receipt of information, assets, goods or services by the Company from an affiliated entity, the Company shall document both the fair market price of such information, assets, goods, and services and the fully distributed cost to the Company to produce the information, assets, goods or services for itself.
10. When the Company purchases information, assets, goods or services from an affiliated entity, the Company shall either obtain competitive bids for such information, assets, goods or services or demonstrate why competitive bids were neither necessary nor appropriate.
11. To the maximum extent practicable, the Company's operating employees and the operating employees of its marketing affiliate must function independently of each other. For the purposes of these guidelines, operating employees are those who are in any way involved in identifying and contracting with customers, locating gas supplies, making any and all arrangements with intervening pipelines and in any way managing or facilitating those contracted services.
12. The Company must maintain its books of accounts and records separately from those of its affiliate.
13. If the Company offers a discount to an affiliated marketer, it must make a comparable offer contemporaneously available to all similarly situated non-affiliated marketers.
14. The Company may not condition or tie its agreement to release its dedicated, stored, inventoried or optioned gas or supply contracts or upstream transportation and storage contracts to an agreement with a producer, customer, end-user or shipper relating to any service by its marketing affiliate, any services offered by the Company on behalf of its marketing affiliate, or any services in which its marketing affiliate is involved.
15. Prearranged, non-posted, capacity release transactions may not be entered into with any affiliate of the Company in any two consecutive thirty-day periods.
16. The Company must maintain a written log of tariff provision waivers which it grants. It must provide the log to any person requesting it within 24 hours of request. Any waivers must be granted in the same manner to the same or similar situated persons.

17. The Company shall maintain sufficiently detailed records that compliance with these guidelines can be verified at any time.

**Complaints:**

Any party may file a complaint relating to violations of these guidelines.

1. Any customer, marketer, or other interested third-party may file a complaint with the Authority relating to alleged violations of the affiliate standards set forth in these guidelines. At or before the time of filing, the complainant shall serve a copy of the complaint on the Company.
2. Within ten (10) days of service of the complaint upon the Company, the Company shall file a written response to the complaint with the Authority.
3. The Authority may hold hearings on any complaint filed or may take such other action (as it may deem appropriate), including requesting further information from the parties or dismissing the complaint.
4. After notice and opportunity for a hearing, should the Authority find that the Company has violated the standards contained in these guidelines, the Authority may impose any penalty or remedy provided for by law.

**Reserve Margin**

The Company may maintain a reserve of natural gas in excess of its projected peak day requirement and recover the cost of the reserve from their customers through the purchased gas adjustment (PGA). The projected peak day requirement shall be based upon a five-year recurrence interval or the coldest day expected in a five-year period. All firm peak day capacity contracted for by the Company, excluding the daily delivery capacity of liquefied natural gas and propane storage facilities, shall be considered as gas available to meet peak day demand. "Contract demand" shall be the amount of firm peak day capacity the Company is entitled to on a daily basis, pursuant to contract. The maximum peak day firm demand of the projected heating season shall form the base period demand to establish the Company's maximum peak day firm demand. A reserve margin of 7.5% or less in excess of the base period firm demand adjusted for specific gain or loss of customers and/or throughput on a specific case by case basis will be presumed reasonable.

All capacity available to meet the peak day demand in excess of an amount needed to meet the base period peak day demand plus a 7.5% reserve margin must be shown by the Company to be necessary to meet its customers' requirements before it can be included in the PGA. All capacity available to meet demand less than an amount of base period demand plus a 7.5% reserve margin is presumed to be reasonable unless a factual showing to the contrary is made.

**Determination of Shared Savings**

Each month during the term of the PBRM, the Company will compute any savings or costs in accordance with the PBRM. If the Company earns any savings, a separate below the line Incentive Plan Account (IPA) will be debited with such savings. If the Company incurs any costs, that same IPA will be credited with such costs. During a plan

year, the Company will be limited to overall savings or costs totaling \$1.25 million. Interest shall be computed on balances in the IPA using the same interest rate and methods as used in the Company's Actual Cost Adjustment (ACA) account. The offsetting entries to IPA savings or costs will be recorded to income or expense, as appropriate.

Savings or costs accruing to the Company under the PBRM will form the basis for a rate increment or decrement to be filed and placed into effect separate from any other rate adjustments to recover or refund such amount over a prospective twelve-month period.

Each year, effective October 1, the rates for all sales customers will be increased or decreased by a separate rate increment or decrement designed to amortize the collection or refund of the March 31 IPA balance over the succeeding twelve month period. The rate increment or decrement will be established by dividing the March 31 IPA balance by the appropriate sales billing determinants for the twelve months ended March 31. During the twelve-month amortization period, the amount collected or refunded each month will be computed by multiplying the sales billing determinants for such month by the rate increment or decrement, as applicable. The product will be credited or debited to the IPA, as appropriate. The balance in the IPA will be tracked as a separate collection mechanism. Each October 1 the unamortized amount of the previous year's IPA balance will be trued-up in the new rate increment or decrement.

#### **Filing with the Authority**

The Company will file calculations of shared savings and shared costs quarterly with the Authority not later than 60 days after the end of the quarter and will file an annual report not later than 60 days following the end of each plan year. Unless the Authority provides written notification to the Company within 180 days of such reports, the Incentive Plan Account shall be deemed in compliance with the provisions of this Rider. The Company will file calculations annually to verify the reasonableness of its reserve margin.

#### **Incentive and Rewards Program**

The Company will have in place an incentive and rewards program for selected Gas Supply non-executive employees involved in the implementation of the Company's PBRM in a manner consistent with the benefits achieved for customers and shareholders through improvements in gas procurement and secondary marketing activities. Participants in the program will receive incentive compensation as recognition for their contribution to the customers and shareholders of the Company through lower gas costs and savings related thereto.

During the time this tariff is in effect, the Company will continue to have in place a gas supply Incentive and Rewards Program, the details of which will be provided to the Authority on an annual basis within 60 days of the beginning of each plan year. Unless the Company is advised within 60 days, said details will become effective. No filing for prior approval is required for changes in the performance measures.

## Applies to Union City, Tennessee

	<u>FIRM</u>	<u>NON-FIRM</u>
Gas Charge Adjustment Effective		
(I) October 1, 2008	\$1.0510 per Ccf	\$1.0208 per Ccf
April 1, 2008 (SAM)	\$0.0000 per Ccf	\$0.0000 per Ccf
(I) Total PGA 10/01/08	\$1.0510 per Ccf	\$1.0208 per Ccf
Total PGA Effective On and After April 1, 2009	\$1.0510 per Ccf	\$1.0208 per Ccf
Rate Schedule 240 Effective October 1, 2008		
Demand	N/A	per Ccf
Commodity	N/A	per Ccf

Issued: August 26, 2008

Effective Date: October 1, 2008

Issued By: Patricia J. Childers, VP Rates and Regulatory Affairs

## Applies to Union City, Tennessee

	BASE RATE	PURCHASED GAS ADJUSTMENT	TOTAL RATE
<u>RATE SCHEDULE 210 – RESIDENTIAL</u>			
Customer Charge (May – September)	\$10.00		\$10.00
Customer Charge (October – April)	\$13.00		\$13.00
(I) All Consumption	\$0.1308	\$1.0510	\$1.1818
Minimum Bill (May – Sept)	\$10.00		\$10.00
Minimum Bill (October – April)	\$13.00		\$13.00
<u>RATE SCHEDULE 211 – HEATING AND COOLING SERVICE</u>			
Customer Charge	\$10.00		\$10.00
(I) All Consumption	\$0.0667	\$1.0510	\$1.1177
Minimum Bill	\$10.00		\$10.00
<u>RATE SCHEDULE 220 – COMMERCIAL/INDUSTRIAL FIRM</u>			
Customer Charge	\$27.50		\$27.50
(I) All Consumption	\$0.2049	\$1.0510	\$1.2559
Minimum Bill	\$27.50		\$27.50
<u>RATE SCHEDULE 221 – EXPERIMENTAL SCHOOL RATE</u>			
Customer Charge	\$27.50		\$27.50
(I) All Consumption	\$0.0983	\$1.0208	\$1.1191
Minimum Bill	\$27.50		\$27.50
<u>RATE SCHEDULE 225 – PUBLIC HOUSING</u>			
Customer Charge (May – September)	\$10.00		\$10.00
Customer Charge (October – April)	\$13.00		\$13.00
(I) All Consumption	\$0.1308	\$1.0510	\$1.1818
Minimum Bill (May - September)	\$10.00		\$10.00
Minimum Bill (October – April)	\$13.00		\$13.00
Note: The Base Rates above do not reflect the Environmental Cost Recovery Rider rate of .0021 per ccf (TRA Docket No. 07 - 00081). This surcharge will be in effect through October 31, 2011			

Issued: August 26, 2008

Issued By: Patricia J. Childers, VP Rates and Regulatory Affairs

Effective Date: October 1, 2008



## Applies to Union City, Tennessee

	<u>BASE RATE</u>	<u>PURCHASED GAS ADJUSTMENT</u>	<u>TOTAL RATE</u>
<u>RATE SCHEDULE 230 – LARGE COMMERCIAL/INDUSTRIAL FIRM</u>			
Customer Charge	\$200.00		\$200.00
(I) All Consumption	\$0.1758	\$1.0510	\$1.2268
Minimum Bill	\$200.00		\$200.00
<u>RATE SCHEDULE 240 – DEMAND/COMMODITY</u>			
Customer Charge	\$310.00		\$310.00
Demand Charge (per Ccf of Contract Demand)	\$1.6283	N/A	\$1.6283
Consumption			
First 20,000 Ccf	\$0.0983	N/A	\$0.0983
Next 480,000 Ccf	\$0.0640	N/A	\$0.0640
Over 500,000 Ccf	\$0.0279	N/A	\$0.0279
Minimum Bill	\$310.00 plus the Demand Charge		\$310.00
<u>RATE SCHEDULE 250 – OPTIONAL SERVICE</u>			
Customer Charge	\$310.00		\$310.00
Consumption			
(I) First 20,000 Ccf	\$0.0983	\$1.0208	\$1.1191
(I) Next 480,000 Ccf	\$0.0640	\$1.0208	\$1.0848
(I) Over 500,000 Ccf	\$0.0279	\$1.0208	\$1.0487
Minimum Bill	\$310.00		\$310.00
<u>RATE SCHEDULE 260 – TRANSPORTATION</u>			
Customer Charge	\$310.00		\$310.00
Demand Charge (per Ccf of Contract Demand, if applicable)	\$1.6283	N/A	\$1.6283
Consumption	(Margin of Normal Rate Schedule, plus or minus an adjusted PGA factor)		
Minimum Bill	\$310.00 plus the Demand Charge		\$310.00
Note: The Base Rates above do not reflect the Environmental Cost Recovery Rider rate of .0021 per ccf (TRA Docket No. 07 - 00081). This surcharge will be in effect through October 31, 2011			

Issued: August 26, 2008  
 Issued By: Patricia J. Childers, VP Rates and Regulatory Affairs

Effective Date: October 1, 2008

## Applies to Union City, Tennessee

	<u>BASE RATE</u>	<u>PURCHASED GAS ADJUSTMENT</u>	<u>TOTAL RATE</u>
<u>RATE SCHEDULE 280 – ECONOMIC DEVELOPMENT</u>			
Customer Charge	(Equivalent to the companion tariff)		
Demand Charge (per Ccf of Contract Demand, if applicable)	\$1.6283	N/A	\$1.6283
Consumption	(A percentage of the Margin of Normal Rate Schedule, plus the PGA)		
Minimum Bill	(Equivalent to the companion tariff plus the demand charge)		
<u>RATE SCHEDULE 291 – NEGOTIATED</u>			
Customer Charge	(Equivalent to the companion tariff)		
Demand Charge (per Ccf of Contract Demand, if applicable)	\$1.6283	N/A	\$1.6283
Consumption	Negotiated		
Maximum Rate	Normally Applicable Rate Schedule		
Minimum Rate	Commodity Cost plus \$.01 per Ccf		
Minimum Bill	(Equivalent to the companion tariff plus the demand charge)		
<u>RATE SCHEDULE 292 -- COGENERATION, CNG, AND FUEL CELL</u>			
Customer Charge	\$27.50		\$27.50
Consumption			
(I) First 20,000 Ccf	\$0.0983	\$1.0208	\$1.1191
(I) Next 480,000 Ccf	\$0.0640	\$1.0208	\$1.0848
(I) Over 500,000 Ccf	\$0.0279	\$1.0208	\$1.0487
Minimum Bill	\$27.50		\$27.50
<u>RATE SCHEDULE 293 – LARGE TONNAGE AIR CONDITIONING</u>			
Customer Charge	\$27.50		\$27.50
Consumption			
(I) First 20,000 Ccf	\$0.0983	\$1.0208	\$1.1191
(I) Next 480,000 Ccf	\$0.0640	\$1.0208	\$1.0848
(I) Over 500,000 Ccf	\$0.0279	\$1.0208	\$1.0487
Minimum Bill	\$27.50		\$27.50
Note: The Base Rates above do not reflect the Environmental Cost Recovery Rider rate of .0021 per ccf (TRA Docket No. 07 - 00081). This surcharge will be in effect through October 31, 2011			

Issued: August 26, 2008

Effective Date: October 1, 2008

Issued By: Patricia J. Childers, VP Rates and Regulatory Affairs

## Applies to Service Areas Other Than Union City, Tennessee

	<u>FIRM</u>	<u>NON-FIRM</u>
(I) Gas Charge Adjustment Effective October 1, 2008	\$1.0422 per Ccf	\$0.9002 per Ccf
Refund Adjustment in Effect for a 12 Month Period Commencing on Effective Date Shown Below:		
April 1, 2008 (SAM)	\$0.0000 per Ccf	\$0.0000 per Ccf
(I) Total PGA 10/01/08	\$1.0422 per Ccf	\$0.9002 per Ccf
Total PGA Effective On and After April 1, 2009	\$1.0422 per Ccf	\$0.9002 per Ccf
(I) Rate Schedule 211 Effective October 1, 2008	\$0.9153 per Ccf	
Rate Schedule 240 Effective October 1, 2008		
Demand	\$1.4989 per Ccf	
(I) Commodity	\$0.9002 per Ccf	

Issued: August 26, 2008

Effective Date: October 1, 2008

Issued By: Patricia J. Childers, VP Rates and Regulatory Affairs

## Applies to Service Areas Other Than Union City, Tennessee

	BASE RATE	PURCHASED GAS ADJUSTMENT	TOTAL RATE
<u>RATE SCHEDULE 210 – RESIDENTIAL</u>			
Customer Charge (May - September)	\$10.00		\$10.00
Customer Charge (October - April)	\$13.00		\$13.00
(I) All Consumption	\$0.1308	\$1.0422	\$1.1730
Minimum Bill (May - September)	\$10.00		\$10.00
Minimum Bill (October - April)	\$13.00		\$13.00
<u>RATE SCHEDULE 211 – HEATING AND COOLING SERVICE</u>			
Customer Charge	\$10.00		\$10.00
(I) All Consumption	\$0.0667	\$0.9153	\$0.9820
Minimum Bill	\$10.00		\$10.00
<u>RATE SCHEDULE 220 – COMMERCIAL/INDUSTRIAL FIRM</u>			
Customer Charge	\$27.50		\$27.50
(I) All Consumption	\$0.2049	\$1.0422	\$1.2471
Minimum Bill	\$27.50		\$27.50
<u>RATE SCHEDULE 221 – EXPERIMENTAL SCHOOL RATE</u>			
Customer Charge	\$27.50		\$27.50
(I) All Consumption	\$0.0983	\$0.9002	\$0.9985
Minimum Bill	\$27.50		\$27.50
<u>RATE SCHEDULE 225 – PUBLIC HOUSING</u>			
Customer Charge (May – September)	\$10.00		\$10.00
Customer Charge (October – April)	\$13.00		\$13.00
(I) All Consumption	\$0.1308	\$1.0422	\$1.1730
Minimum Bill (May-September)	\$10.00		\$10.00
Minimum Bill (October – April)	\$13.00		\$13.00
Note: The Base Rates above do not reflect the Environmental Cost Recovery Rider rate of .0021 per ccf (TRA Docket No. 07 - 00081). This surcharge will be in effect through October 31, 2011			

Issued: August 26, 2008

Effective Date: October 1, 2008

Issued By: Patricia J. Childers, VP Rates and Regulatory Affairs

## Applies to Service Areas Other Than Union City, Tennessee

	<u>BASE RATE</u>	<u>PURCHASED GAS ADJUSTMENT</u>	<u>TOTAL RATE</u>
<u>RATE SCHEDULE 230 – LARGE COMMERCIAL/INDUSTRIAL FIRM</u>			
Customer Charge	\$200.00		\$200.00
(I) All Consumption	\$0.1758	\$1.0422	\$1.2180
Minimum Bill	\$200.00		\$200.00
<u>RATE SCHEDULE 240 – DEMAND/COMMODITY</u>			
Customer Charge	\$310.00		\$310.00
Demand Charge (per Ccf of Contract Demand)	\$1.6283	\$1.4989	\$3.1272
Consumption			
(I) First 20,000 Ccf	\$0.0983	\$0.9002	\$0.9985
(I) Next 480,000 Ccf	\$0.0640	\$0.9002	\$0.9642
(I) Over 500,000 Ccf	\$0.0279	\$0.9002	\$0.9281
Minimum Bill	\$310.00 plus the Demand Charge		\$310.00
<u>RATE SCHEDULE 250 – OPTIONAL SERVICE</u>			
Customer Charge	\$310.00		\$310.00
Consumption			
(I) First 20,000 Ccf	\$0.0983	\$0.9002	\$0.9985
(I) Next 480,000 Ccf	\$0.0640	\$0.9002	\$0.9642
(I) Over 500,000 Ccf	\$0.0279	\$0.9002	\$0.9281
Minimum Bill	\$310.00		\$310.00
<u>RATE SCHEDULE 260 – TRANSPORTATION</u>			
Customer Charge	\$310.00		\$310.00
Demand Charge (per Ccf of Contract Demand, if applicable)	\$1.6283	\$1.4989	\$3.1272
Consumption	(Margin of Normal Rate Schedule, plus or minus an adjusted PGA factor)		
Minimum Bill	\$310.00 plus the Demand Charge		\$310.00
Note: The Base Rates above do not reflect the Environmental Cost Recovery Rider rate of .0021 per ccf (TRA Docket No. 07 - 00081). This surcharge will be in effect through October 31, 2011			

Issued: August 26, 2008

Effective Date: October 1, 2008

Issued By: Patricia J. Childers, VP Rates and Regulatory Affairs

## Applies to Service Areas Other Than Union City, Tennessee

	BASE RATE	PURCHASED GAS ADJUSTMENT	TOTAL RATE
RATE SCHEDULE 280 – ECONOMIC DEVELOPMENT			
Customer Charge	(Equivalent to the companion tariff)		
Demand Charge (per Ccf of			
Contract Demand, if applicable)	\$1.6283	\$1.4989	\$3.1272
Consumption	(A percentage of the Margin of Normal Rate Schedule, plus the PGA)		
Minimum Bill	(Equivalent to the companion tariff plus the demand charge)		
RATE SCHEDULE 291 – NEGOTIATED			
Customer Charge	(Equivalent to the companion tariff)		
Demand Charge (per Ccf of			
Contract Demand, if applicable)	\$1.6283	\$1.4989	\$3.1272
Consumption	Negotiated		
Maximum Rate	Normally Applicable Rate Schedule		
Minimum Rate	Commodity Cost plus \$.01 per Ccf		
Minimum Bill	(Equivalent to the companion tariff plus the demand charge)		
RATE SCHEDULE 292 – COGENERATION, CNG, AND FUEL CELL			
Customer Charge	\$27.50		\$27.50
Consumption			
(I) First 20,000 Ccf	\$0.0983	\$0.9002	\$0.9985
(I) Next 480,000 Ccf	\$0.0640	\$0.9002	\$0.9642
(I) Over 500,000 Ccf	\$0.0279	\$0.9002	\$0.9281
Minimum Bill	\$27.50		\$27.50
RATE SCHEDULE 293 – LARGE TONNAGE AIR CONDITIONING			
Customer Charge	\$27.50		\$27.50
Consumption			
(I) First 20,000 Ccf	\$0.0983	\$0.9002	\$0.9985
(I) Next 480,000 Ccf	\$0.0640	\$0.9002	\$0.9642
(I) Over 500,000 Ccf	\$0.0279	\$0.9002	\$0.9281
Minimum Bill	\$27.50		\$27.50
Note: The Base Rates above do not reflect the Environmental Cost Recovery Rider rate of .0021 per ccf (TRA Docket No. 07 - 00081). This surcharge will be in effect through October 31, 2011			

Issued: August 26, 2008

Effective Date: October 1, 2008

Issued By: Patricia J. Childers, VP Rates and Regulatory Affairs

WEATHER NORMALIZATION ADJUSTMENT (WNA) RIDERProvisions for Adjustment

The base rate per therm/Ccf (100,000 Btu) for gas service set forth in any Rate Schedules utilized by the Tennessee Regulatory Authority in determining normalized test period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all residential and commercial bills based on meters read during the revenue months of November through April.

Definitions

For purpose of this Rider:

"Regulatory Authority" means the Tennessee Regulatory Authority

"Relevant Rate Order" means the final order of the Regulatory Authority in the most recent litigated rate case of the Company fixing the rates of the Company or the most recent final order of the Regulatory Authority specifically prescribing or fixing the factors and procedures to be used in the application of this Rider.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment shall be computed to the nearest one-hundredth cent per therm/Ccf by the following formula:

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

Where

- $i$  = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
- $WNA_i$  = Weather Normalization Adjustment Factor for the  $i^{th}$  rate schedule or classification expressed in cents per therm/Ccf
- $R_i$  = weighted average base rate of temperature sensitive sales for the  $i^{th}$  schedule or classification utilized by the Tennessee Regulatory Authority in the Relevant Rate Order for the purpose of determining normalized test year revenues

WEATHER NORMALIZATION ADJUSTMENT (WNA) RIDER (Continued)

- HSF<sub>i</sub> = heat sensitive factor for the i<sup>th</sup> schedule or classification utilized by the Regulatory Authority in the Relevant Rate Order for the purpose of determining normalized test year revenues
- NDD = normal billing cycle heating degree days utilized by the Regulatory Authority in the Relevant Rate Order for the purpose of determining normalized test year revenues
- ADD = actual billing cycle heating degree days
- Bl<sub>i</sub> = base load sales for the i<sup>th</sup> schedule or classification utilized by the Regulatory Authority in the Relevant Rate Order for the purpose of determining normalized test year revenues

Filing with Regulatory Authority

The Company will file as directed by the Regulatory Authority (a) a copy of each computation of the Weather Normalization Adjustment, (b) a schedule showing the effective date of each such Weather Normalization Adjustment, and (c) a schedule showing the factors or values derived from the Relevant Rate Order used in calculating such Weather Normalization Adjustment.

Heat Use/Base Use Factors

<u>Town</u>	<u>Residential/PA</u>		<u>Commercial</u>	
	<u>Base use Ccf</u>	<u>Heat use Ccf/HDD</u>	<u>Base use Ccf</u>	<u>Heat use Ccf/HDD</u>
Union City	10.43	.124185	112.80	.416839
Columbia Shelbyville Franklin Murfreesboro	11.34	.147091	112.93	.473009
Maryville Morristown	11.39	.122329	195.74	.392082
Johnson City Elizabethton Kingsport Greeneville	11.51	.112572	125.95	.489418
Bristol				



**Environmental Cost Recovery Rider**Intent and Applicability

This Environmental Cost Recovery Rider (ECRR) is intended to authorize the Company to recover costs related to compliance with environmental control requirements imposed by various federal and state agencies concerning its operations in the state of Tennessee. The ECRR will provide for recovery of these costs by adjusting the rates per Ccf (100 cubic feet) of gas set forth in all of the Company's rate schedules by an amount equal to the Environmental Costs Recovery Factor (the "ECR Factor"), as hereinafter described.

Computation and Application

- A. The ECR Factor shall be computed to the nearest one-hundredth cent per Ccf in the following manner:
1. The actual expense of \$1,650,000 shall be recovered over a four year period for an amount of \$412,500 annually.
  2. The annual expense shall be divided by the adjusted test period volumes of 196,957,768 Ccf approved in the Company's most recent general rate proceeding by the Tennessee Regulatory Authority (Docket No. 07-00105).
  3. The ECR Factor shall be \$0.0021/Ccf.
- B. The ECR Factor shall be applied to all volumes delivered by the Company (sales and transportation) no earlier than the effective date of approval of this Rider.

Balancing Adjustment

- A. Commencing with the period forty-eight (48) months after implementation of the ECRR, the Company shall calculate the amount by which the revenue recovered by the Company under the ECRR during each twelve (12) month period was greater or less than the actual expense. This amount shall hereinafter be referred to as the "Balancing Adjustment".
- B. The "Balancing Adjustment" if positive (over-recovery) or if negative (under-recovery) shall be divided by the adjusted test period sales utilized in the initial computation of the ECRR to derive a factor to the nearest one-hundredth cent per Ccf to be applied to all volumes<sup>1</sup> delivered (sales and transportation) by the Company during the ensuing twelve month period.

Additional Adjustments

Inasmuch as the deferral costs include actual expenditures as well as \$350,000 of anticipated expenditures, the total deferral costs of \$1,650,000 initially included within the ECRR will be adjusted upward or downward to reflect total actual expenditures once those total actual costs become known. Any difference, positive or negative, will be applied over the remaining term of the tariff, and the ECR factor will be appropriately adjusted to reflect the difference. Furthermore, if the Company receives any payments or credits of any kind for the cleanup of sites at issue in this tariff, the Company shall adjust the total deferral amount downward to reflect these payments or credits.

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued: September 17, 2007

Effective Date: November 1, 2007

<sup>1</sup> Other than special contract or Saturn automobile plant volumes.

**Environmental Cost Recovery Rider (Continued)**

Filing with the Tennessee Regulatory Authority

The Company will file as directed by the Tennessee Regulatory Authority (TRA) a copy of each computation of the ECR Factor as well as any reasonable periodic reporting which the TRA may prescribe in connection with the Company's administration of the ECRR. A copy of any filing made with the TRA under this Rider shall be provided to the Consumer Advocate and Protection Division of the Tennessee Attorney General's Office.

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued: September 17, 2007

Effective Date: November 1, 2007

## GENERAL RULES AND REGULATIONS

1. Definitions

Except where the context indicates a different meaning or intent, the following terms, when used herein or in the Company's rate schedules incorporating these General Rules and Regulations, shall have the meanings defined below:

- 1.1 "Company"  
Atmos Energy Corporation.
- 1.2 "Customer"  
Any individual, partnership, association, firm, public or private corporation or government agency or institution receiving Company's service at any specific location.
- 1.3 "Gas Service"  
The availability of natural gas at the Company's point of delivery to Customer irrespective of whether any such gas is actually used.
- 1.4 "Point of Delivery"  
The point of connection between Company and Customer of which the gas supplied leaves the outlet side of Company's meter and enters Customer's facilities.
- 1.5 "Cubic Foot of Gas"  
The gas necessary to fill one cubic foot of space at a temperature of 60 degrees Fahrenheit and an absolute pressure of 14.65 pounds per square inch.
- 1.6 "Mcf", "Ccf", "Therm", and "Dekatherm"  
"Mcf" is 1,000 cubic feet of gas; "Ccf" is 100 cubic feet of gas; as used herein "Therm" means a volume of gas containing a quantity of heat equal to 100,000 Btu; Dekatherm means a volume of gas containing a quantity of heat equal to 1,000,000 Btu.
- 1.7 "Prompt Payment"  
Payment of a bill for gas service within fifteen (15) days following its date of issue.
- 1.8 "Regulatory Authority"  
Tennessee Regulatory Authority

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued: September 4, 2002

Effective Date: October 4, 2002

ATMOS ENERGY CORPORATION

GENERAL RULES AND REGULATIONS (Continued)

2. Customer Facilities and Responsibility

- 2.1 The Customer shall install and maintain gas piping and appliance in the condition required by the insurance and governmental authorities having jurisdiction and in a manner approved by the Company. The Customer shall so use the equipment as not to disturb the Company's service to other Customers.
- 2.2 The Company will supply the Customer with gas through meters owned by the Company. The Customer shall provide a suitable place for the meter satisfactory to the Company. Meters shall be located as close to the service entrance as practical. The Customer shall see that said meters are protected from damage or accident and will not permit any person other than the agent of the Company, or a person lawfully authorized to do so, to remove, inspect, or tamper with same.
- 2.3 The Company shall have the opportunity to charge a customer for meter modifications should the modification arise as a result in an increase or reduction in the customer's load or its operating characteristics.
- 2.4 The meter, meter connections, shut-off valve, service regulator, any required vents or relief valves and the service piping from the main to the meter, and any extension thereof, shall belong to the Company and be subject to removal only by the Company regardless of whether any charges for service piping were made to the Customer.
- 2.5 The Company's authorized agent shall have access to the Customer's premises at all reasonable hours to inspect, read, repair or remove its meters and other property and to inspect the appliances installed on Customer's premises.
- 2.6 In the event of the escape of gas, Customer should shut off all gas at the meter, take reasonable precaution to prevent ignition of escaping gas, and shall immediately notify the Company.
- 2.7 The Company shall not be liable for any loss, cost, damage, or expense to any parties, resulting from the use or presence of gas or gas appliances upon the Customer's premises.
- 2.8 The Customer shall not construct buildings over a gas service line and/or enclose gas metering equipment. In the event a Customer builds over the gas service line and/or encloses the gas meter, the cost of relocation will be paid by the Customer.

## GENERAL RULES AND REGULATIONS (Continued)

3. Customer Credit and Deposits3.1 Establishment of Credit(a) Present Customers

If any present Customer has been delinquent in the payment of any two consecutive bills, or has been delinquent three or more times within the preceding twelve months, or if the Company has reason to believe that a Customer is a questionable credit risk, such Customer may be required to make a cash deposit or comparable arrangement in order to establish credit, as provided in Section 1220-4-5.14 of the Tennessee Regulatory Authority's Rules, regulations and Statutes governing Public Utilities. Copies of said Rules, Regulations and Statutes are available for inspection at Company's office during business hours. A Customer who has not paid a bill for service by the close of the first business day after fifteen (15) days following the date the bill is issued will be considered delinquent.

Payment by the Customer of delinquent bills will not of itself relieve the Customer from the obligation of establishing credit with respect to the account involved or with respect to any other account for service of the same class which Company may be providing to such Customer.

(b) Applicants for Service

Before service is rendered, every applicant for initial or additional service, in addition to complying with all other applicable service regulations, may be required to establish credit. The applicant shall be notified promptly of this requirement to prevent any undue delay in the furnishing of service.

Service may be denied as long as the applicant owes the Company for service of the same class (residential or business) previously furnished at the same or another location. Any applicant who has not established credit, as provided in this service regulation, may be required, before service is established, to (1) pay the service connection charge, if any; (2) make an advance payment

ATMOS ENERGY CORPORATION

GENERAL RULES AND REGULATIONS (Continued)

in an amount equal to an estimated periodic bill. An advance payment shall not relieve the applicant of the responsibility subsequently to fully establish credit.

- 3.2 Any Customer or applicant for service may establish credit by compliance with either of the following conditions:

- (a) By furnishing credit references or information, which the Company, after prudent investigation, determines to be satisfactory for extending credit.
- (b) By making a cash deposit or other comparable arrangement in accordance with the requirements of Section 3.3 of this service regulation.

3.3 Amount of Cash Deposit

- (a) The amount of the cash deposit or other comparable arrangement which may be required of a Customer or applicant for the purpose of establishing credit in accordance with this service regulation, shall not exceed the estimated bill for the class of service involved for two consecutive billing periods or as may be reasonably required by the Company in cases involving service for short periods or special occasions. The determination of a present Customer's estimated bill (as distinguished from an applicant's) will be based upon prior or current use of the class of service involved.
- (b) The amount of cash deposit or other comparable arrangement may be adjusted on the basis set forth in this section at the option of the Customer or the Company at any time when the character or degree of the Customer's use of the service has materially changed, or is expected to change.

3.4 Conditions Under Which Deposits Are to be Applied or Refunded

Residential Customer Deposits

Each month the Company shall review its deposit accounts and shall refund, or credit to existing bills, deposits completely with accrued interest to Customer's whose deposits have been held for two (2) years unless the Customer's payment record indicated: (1) two consecutive 30-day arrears; or (2) three or more non-consecutive 30-day arrears; or (3) one or more disconnections for non-payment or fraudulent use during the 24 month period.

## GENERAL RULES AND REGULATIONS (Continued)

The Company shall promptly refund or credit the deposit, with interest as provided in this service regulation, and may require the surrender of the Customer's receipt of certificate of deposit properly endorsed, or the delivery of a cancellation receipt for such deposit, whenever:

- (a) The Customer establishes credit by other means; or
- (b) The service is discontinued and the bills therefore are paid in full; or
- (c) The service is discontinued and there are charges due (including construction charges related to main extensions) to the Company for service to the Customer, in which case the cash deposit plus any accrued interest will be applied to the payment of such charges, and the balance remaining of the deposit and interest, if any, will be returned to the Customer. When the deposit is applied to the liquidation of unpaid bills, the Company will mail or deliver to the Customer a statement showing the amount of the original deposit, including accrued interest if any, the amount of the unpaid bills liquidated by the deposit; and the balance remaining due either to the Customer or to the Company.

In either case, and in any event, if there is a balance due the Customer when service is discontinued, it shall then be promptly and automatically refunded to the Customer.

Commercial/Industrial Customer Deposits

Commercial and Industrial Customer deposits and applicable interest, less any amounts owing the Company by the Customer, will be refunded by the Company when the customer's account is closed.

3.5 Interest to be Accrued on Deposits

Interest on deposits shall be paid on a per annum rate equal to the prime bank lending rate plus one percentage point as published in The Wall Street Journal for the last business day of the preceding calendar year, compounded annually. In no case will interest be accrued for a period extending beyond the date of refund or the date service is terminated, whichever date is earlier. No interest will be paid on deposits held for a period of less than six (6) months.

3.6 Payment of Interest Accruals

Interest accruing on cash deposits will be computed and prompt settlement made:

- (a) By paying the amount of interest accrued on the demand of the Customer, but not more often than once in any 12 month period; or

## GENERAL RULES AND REGULATIONS (Continued)

- (b) By adding the amount of interest accrued to the deposit, upon the return of such deposit to the Customer or upon its application to the liquidation of unpaid charges as provided in this service regulation.

3.7 Issuance of Receipt or Certificate of Deposit

At the time the Company receives a cash deposit from a Customer in accordance with this service regulation, it will issue, and deliver to such Customer, a receipt or certificate of deposit showing thereon (1) the date thereof, (2) the name of the Customer, (3) the address of the premises served or to be served, and (4) the amount of the deposit.

4. Billing

- 4.1 Bills will be rendered at intervals of approximately 30 days, according to billing cycles established at the Company's discretion. If the Customer's meter fails to register or a reading of such meter cannot be obtained, a bill will be rendered based upon a reasonable estimate of the gas consumed by the Customer.
- 4.2 Bills for service furnished to the Customer by the Company are due and payable on the date rendered. If a bill is not paid within the maximum period prescribed by the rate schedule, it shall be considered delinquent and the additional charge authorized by the rate schedule shall become payable.
- 4.3 The Company will not render an estimated bill to a Customer except for good cause where the meter could not be read or was improperly registering.

Under ordinary circumstances, no more than one estimated bill shall be rendered during any sixty (60) day period, provided that reasonable access to the meter shall have been granted by the Customer and provided further that in the absence of such reasonable access the Company shall have the right to discontinue service for the Customer as outlined in Regulation No. 5.



## GENERAL RULES AND REGULATIONS (Continued)

- 4.4 Atmos Energy has a Budget Plan available for the convenience of its customers. The plan is designed to equalize payment for gas service over a period of twelve months. The plan is especially helpful to customers who have difficulty paying high cold weather bills or customers on a fixed income. The Budget Payment Plan amount will be the average of the previous monthly billings (in dollars) not to exceed twelve months. The monthly payment amount will be updated to reflect the most recent history. Customers may elect to enter the plan at any time during the year.

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

The following is the formula used to calculate a customer's Budget Payment Plan amount:

$$\text{BPPA} = \frac{\text{R}}{\text{M}}$$

BPPA = Budget Payment Plan Amount

R = Sum of Dollars Billed (not to exceed 12 months)

M = Number of Months Billed (not to exceed 12 months)

## GENERAL RULES AND REGULATIONS (Continued)

5. Discontinuance and Restoration of Service

- 5.1 The Company may discontinue or refuse to establish or restore gas service for any of the reasons listed below. However, service shall not be discontinued unless a reasonable prior notice is provided to a Customer and discontinuance shall not occur on a day or a date preceding a day or days on which the Company is not open for business and available to reconnect the discontinued service as provided herein.
- (a) Without notice in the event of a condition determined by the Company to be hazardous.
  - (b) Without notice in the event of Customer's use of equipment in such a manner as to adversely affect the Company's equipment or its service to others.
  - (c) Without notice if there is evidence of tampering with the equipment furnished and owned by the Company.
  - (d) Without notice if there is evidence of unauthorized use.
  - (e) For violation of and/or non-compliance with the Company's rules on file with and approved by the Tennessee Regulatory Authority.
  - (f) For failure of the Customer to fulfill this obligations for service and/or facilities subject to regulations by the Tennessee Regulatory Authority.
  - (g) For failure of the Customer to permit the Company reasonable access to its equipment.
  - (h) For non-payment of delinquent account.
  - (i) For failure of the Customer to provide the Company with a deposit.

5.2 Discontinuance at Customer's Request

When a Customer desires to terminate gas service, such Customer shall notify the Company not less than three (3) days in advance, or such period in advance as is specified in the Customer's contract, and state the date on which such Customer wishes

## GENERAL RULES AND REGULATIONS (Continued)

service to be terminated. A Customer may be held responsible for all gas service furnished at the premises until the date of termination specified in the notice, or a date three (3) days beyond the date of such notice, or such greater number of days after notice as are specified in a contract, whichever date is later. Restoration of service following temporary termination of service at Customer's request will be made upon payment by Customer of a reconnection charge as provided herein.

5.3 Activation Charge

Service which is discontinued by the Company, or at the Customer's request, may be restored upon payment by customer of all indebtedness for gas service and an activation charge which shall be \$40 for activation during normal business hours. (Additional charges may apply if after-hours service is requested and performed). This activation charge will apply to all meter turn-ons at existing locations and all reconnections of service and shall apply to all rate schedules.

5.4 Limitations on Discontinuance

Gas service to any Customer will not be terminated without reasonable prior notice and the Customer being given reasonable opportunity to dispute the reasons for such termination.

- (a) Prior reasonable notice will be sent to a Customer informing of the date of any proposed termination of service unless such Customer takes appropriate action. The date of the proposed termination shall be at least seven (7) days after the Company sends the notice by first class mail.
- (b) The Company shall postpone the physical termination of gas service to a residential Customer for a period of thirty (30) days in the event a physician, public health officer, or social service official certifies in writing that discontinuation of service will aggravate an existing medical emergency of the Customer or other permanent resident of the premises where service is rendered. The Company shall refer the Customer or other permanent resident of the premises to social service agencies for investigation, confirmation of need and guarantee of payment. The Company shall supply

## GENERAL RULES AND REGULATIONS (Continued)

Customers with names of agencies providing assistance.

- (c) Each Customer shall be given the option to designate a third party who will receive a duplicate of any termination notice sent by the Company.
- (d) The Company shall provide all Customers annually and all new Customers when they initiate service, a copy of its termination and reinstatement policies including procedures of complaints and disputes together with the alternative of appeal to the Tennessee Regulatory Authority and its representatives who are available to handle complaints and inquiries. Customers will be notified they do not have to pay that portion of a bill which is in dispute while the dispute process is underway.

6. Test of Metering Equipment at Customer's Request

Upon receipt of written request from the Customer to do so, the Company will make a test as to the accuracy of the metering equipment, subject to the following conditions:

- (a) If requested, tests will be made in the presence of the Customer according to methods prescribed by the Tennessee Regulatory Authority, and witnessed by a representative of that Regulatory Authority.
- (b) If on test the meter is within two percent (2%) of accurate, then the cost of \$75.00 the test shall be paid by the Customer. If on test the meter is inaccurate by more than two percent (2%) then the test shall be without cost to the Customer.
- (c) If a meter so tested is found to be more than two percent (2%) in error, either fast or slow, Company shall recompute Customer's monthly bills by using the corrected volumes of gas delivered for the period that meter was in error, but for not more than six months. The appropriate adjustment, either credit or debit, shall be made in Customer's account based on such corrected volumes.

6.1 Responsibility for consumption; security of facilities

- (a) Loss of gas leakage from Customer's installation shall be considered to be consumption by the Customer.

## GENERAL RULES AND REGULATIONS (Continued)

- (b) In the event of stoppage or failure of any meter to register properly, Customer will be billed for such period on an estimated consumption based upon his use of gas in a similar period of like use or on the basis of check meter readings, if available and accurate, but such adjustment shall not be made for more than six months.
- (c) In the event of tampering or unauthorized use of Company's facilities, the probable gas consumption shall be estimated by Company and billed to Customer. If the duration of such tampering or unauthorized use is not known, it shall be conclusively presumed to be since the commencement of Customer's service but for a period of not more than six months.
- (d) All property of Company installed in or upon premises of, or occupied by Customer is under Customer's protection. All reasonable care shall be exercised by Customer to prevent loss of or damage to such property, ordinary wear and tear excepted. Customer will be liable for any loss of property or damage thereto and shall pay to Company the cost of appropriate repairs or replacements for such loss or damage to property.

7. Extension and Installation of Company Facilities

This Company will, upon written application, will install gas mains, service lines, and meters to serve bona fide applicants of a permanent and established character in accordance with the following provisions of these Service Regulation. Gas main extensions shall be made only along public streets, roads or highways and upon private property across which satisfactory rights of way or easements have been provided without cost to the Company. All gas mains constructed pursuant to this service regulation shall be owned, operated, and maintained by the Company.

7.1 Main Extensions

Any extension from existing mains to the point of connection with Customer's service line, whether on public property or on private property, is considered to be an extension of a main. Any extension, from existing mains or from an extension of a main as defined above, to Customer's property for service to Customer shall be considered a part of the service line to service such Customer.

## GENERAL RULES AND REGULATIONS (Continued)

The Company will install all mains necessary to serve the customer(s) free of charge, provided the revenue expected to be realized produces a rate of return on the investment that is equal to or greater than the minimum allowed rate of return on equity approved in the Company's most recent rate case. This rate of return analysis will be based on a feasibility study performed by the company. This study will include consideration of all costs needed to provide service (materials, company and/or contract labor, overheads, and applicable taxes). These costs will be compared to the revenue that is either contracted for or can be reasonably expected to be generated by the customers served by the extension. Should this analysis result in a rate of return (ROE) less than the minimum allowed rate of return approved in the Company's most recent rate case, then the customer(s) may be required to remit to the company an Aid-in-Construction (AIC), including any applicable taxes, to make up the difference in the actual and allowable rate of return.

C

## General

1. The Company may, at its sole discretion, choose to waive payment for AIC when system improvements are realized by the extension or when the extension would enhance the opportunity of adding new customers in the future.
2. Individual customers may elect to spread the payment of any required AIC up to, but not to exceed, a three year period at no interest provided that the Customer shall enter into a "Main Extension Contract" and also subject to the following conditions:
  - a. The Company shall approve the Customer's credit prior to the signing of the "Main Extension Contract".
  - b. Default by the Customer under the terms of the "Main Extension Contract" may result in discontinuance of service as per the current provisions of Section 5 of these General Rules and Regulations.
  - c. If a Customer cancels service prior to payment of the total AIC required, the unpaid balance shall become due and payable immediately. The Company may use any deposit or credit owed to the Customer to offset the balance due under the "Main Extension Contract".
  - d. In no case will the Company build without cost to the applicant more service line than is necessary to reach the acceptable meter location by the most economical route.

## GENERAL RULES AND REGULATIONS (Continued)

7.2 Extensions Beyond the allowance calculated in the feasibility analysis - Residential and Commercial

1. Upon completion of a main extension contract the Company will extend its mains to a Customer provided the Customer deposits any AIC which may be due as determined in Section 7.1.
2. As additional Customers are served through a service line connected directly to the specifically involved main extension within five (5) years of its completion date, the original Customer(s) shall be refunded an amount determined as follows:
  - a. The contract with the original Customer(s) shall set forth the estimated cost per foot for a normal 2 inch polyethylene main extension.
  - b. The Company will estimate the annual gas consumption (Mcf) of each new Customer added to the main extension.
  - c. The refund shall be determined by the following formula:
$$\text{Refund} = \text{the estimated cost per foot from (a) times the estimated annual gas consumption (Mcf) for the new Customer.}$$
  - d. The refund to the original Customer(s) shall not exceed the amount of the original construction charge deposited with the Company.
  - e. No interest shall be paid on the AIC made by the customer.
  - f. The refund(s) due, if any, to the original Customer(s) will be calculated and paid on June 1st of every year. Refunds will not be made any other time.
  - g. If the Company has allowed the Customer to pay the AIC over a period of time in accordance with Section 7.2(3), all refunds attributable to the connecting of new Customers to the specifically involved main extension will be credited to any outstanding balance owed for the extension.

## GENERAL RULES AND REGULATIONS (Continued)

3. Individual residential customers may elect to spread the payment of the AIC over a period not to exceed three years at no interest provided that the Customer shall enter into a Main Extension Contract and also subject to the following conditions:
  - a. The Company shall approve the Customer's credit prior to the signing of the main extension contract.
  - b. Default by the Customer under the terms of the Main Extension Contract may result in discontinuance of service as per the current provisions of Section 5 of these General Rules and Regulations.
  - c. If a Customer cancels service prior to payment of the total AIC the unpaid balance shall become due and payable immediately.
  - d. The Company may use any deposit or credit owed to the Customer to offset the balance due under the Main Extension Contract.
  - e. Refunds due the Customer under section 7.2 (2) shall be credited to the outstanding loan balance.
4. In addition to all other of these Service Regulations the following shall also apply to Mobile Home Parks:
  - a. For the purpose of these regulations, a Mobile Home Park is defined as any tract or parcel of land used primarily to provide sites for the parking and occupancy of Mobile Homes. A Mobile Home is defined as a portable structure built so as to be readily transportable from one location to another, and which is usable as a dwelling for one or more persons, herein referred to as Mobile Home Occupants. Any person, firm or corporation who operates a Mobile Home Park as a commercial venture shall be referred to as a Mobile Home Park Owner.



## GENERAL RULES AND REGULATIONS (Continued)

- b. Any Mobile Home Park Owner desiring gas service within a Mobile Home Park shall enter into a contract with the Company for a minimum period of five (5) years for service from Company's distribution mains to a specified number of Mobile Home sites. Mobile Home Park Owner agrees to pay the Company each month, commencing with a date specified in the contract and each month thereafter for the term of the contract, an amount specified as the customer charge under the provisions of Company's Residential Rate Schedule 210, as filed with the Tennessee Regulatory Authority, for 70% of the number of specified Mobile Home sites less the number of sites occupied by Mobile Home Occupants who were customers of, and who were billed for gas service by, the Company during such month.
- c. After execution of a contract for gas service to a Mobile Home Park, the Company will construct the required extension of distribution facilities to serve the number of sites specified in the contract provided that the total free length allowance for mains and services shall be calculated as per the provisions of Paragraph No. 7. For mains and services exceeding the free length allowance the Mobile Home Park Owner will be required to deposit a Refundable Advance as per the provisions of Paragraph No. 7.

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued: November 12, 2007

Effective Date: Bills Rendered On and After  
November 19, 2007

## ATMOS ENERGY CORPORATION

## GENERAL RULES AND REGULATIONS (Continued)

7.3 Meters and Service

1. Upon written application, Company will install necessary meter connections and meter without charge subject to the provisions of Service Regulation No. 2.
2. New service piping, up to and including a size 3/4 inch in diameter, will be installed by the Company free of charge for residential and for commercial Customers whose annual consumption is 500 Mcf or less, from its distribution main to the private property line of the applicant or other private property line through which the service shall be constructed, and for an additional length, from such property line to the meter location, determined in accordance with Service Regulation No. 2, as is determined by the allowance per Customer for each major use of gas appliances and equipment specified below:

<u>Residential and Commercial Service</u>	<u>Allowance</u>
Gas Space Heating Equipment	60 feet
Automatic Gas Water Heater and/or Gas Range	40 feet

Residential and commercial customers whose annual consumption is estimated by the Company to be over 100 Mcf and less than 500 Mcf for commercial customers, the free length will equal one foot per Mcf of estimated total gas consumption.

This free service piping allowance will not apply for temporary service.

3. For each industrial Customer and commercial Customer whose annual consumption is over 500 Mcf, the Free Length of service, if any, will be determined on an individual feasibility basis considering the required investment, character, and economic life of the load, and other appropriate information.
4. For service piping in excess of the portion installed at Company expense pursuant to paragraph (2) above, Customer will be charged for such excess footage, based on the average cost to the Company, for installing service piping the preceding calendar year. The rate per linear foot of service will be the average cost incurred during the preceding calendar year for installing such service pipe. Any charges for installing excess service piping are payable in advance. For excess service piping pursuant to paragraph (2) above, the Customer will be charged for the actual cost of such excess service piping.
5. Upon request from the Customer, the Company will provide the following services without charge:
  - (i) Leak Investigation
  - (ii) Burner or Pilot Light adjustment  
(during normal working hours)

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued: September 4, 2002

Effective Date: October 4, 2002

## GENERAL RULES AND REGULATIONS (Continued)

8. Curtailment of Gas Service

Service will be curtailed in accordance with the order of priorities set forth below, beginning with optional service 1 a. and descending as required.

1. All Optional Service
  - a. Industrial Customers (Over 3,000 Mcf/day)
  - b. Industrial Customers (Over 1,500 Mcf/day)
  - c. Industrial Customers (Over 300 Mcf/day)
  - d. Industrial Customers (Less than 300 Mcf/day)
  - e. Large Commercial Customers (Over 50 Mcf/day)
  - f. Small Commercial Customers (Less than 50 Mcf/day)
2. Large Industrial Firm Customers (Over 50 Mcf/day)
3. Small Industrial Firm Customers (Less than 50 Mcf/day)
4. Large Commercial Firm Customers (Over 50 Mcf/day)
5. Small Commercial Firm Customers (Less than 50 Mcf/day)
6. Essential Agricultural Use
7. Public Schools and Hospitals on Firm Service
8. Public Housing Authorities and Residential Customers

Notwithstanding the provisions of this paragraph, the Company shall not be liable for any damages that may result to Customers or any other persons, firm or corporation by reason of the Company's limiting annual, monthly, or peak day volumes or by curtailing service in accordance with the above order of priorities which may be deemed practicable under existing conditions by Company. Company will make every reasonable effort to deliver plant protection volumes to firm industrial customers sufficient to prevent damage to facilities or danger to personnel. This includes the protection of such material in process as would otherwise be destroyed, but does not include deliveries required to maintain plant protection.

## GENERAL RULES AND REGULATIONS (Continued)

9. Other Conditions of Service

- 9.1 The Company shall endeavor to furnish continuous service to the Customer but does not guarantee uninterrupted service. Further, the Company shall not be liable for loss or damage resulting from interruptions or deficiencies in service occasioned by any cause except willful default or neglect on its part.
- 9.2 Gas purchased from the Company shall be used by the Customer at one location and shall not be resold. The term "one location" as used herein, shall include separate buildings only if such separate buildings are immediately adjacent and not separated by either private or public right-of-way.
- 9.3 The Company will determine the adjustment, if any, to be made for wastage of gas occurring without knowledge to the Customer, on the basis of the circumstances involved in each specific instance.
- 9.4 **Additional Load**  
  
Meters and equipment supplied by the Company for each Customer have definite capacities and no major addition to the equipment or load connected hereto shall be made except by consent of the Company. Failure to give notice of additions or changes in load, and to obtain Company's consent for same, shall render the Customer liable for any damage to any of Company's lines or equipment caused by the additional load or changed installation.
- 9.5 The Customer agrees to notify the Company of any material changes in his installation or load conditions. Upon such notification, the Company will assist in determining if a change in rates is desirable. Unless required by substantial changes in the Customer's installation, not more than one change in rates will be made within any twelve month period.

## GENERAL RULES AND REGULATIONS (Continued)

10. Franchise Tax

- 10.1 The Company shall collect, by an addition to customer's bills, any franchise tax levies by the governing body of the Company's particular service territories.
- 10.2 The following franchise tax rates, and as amended from time to time, shall apply. Unless otherwise stated, the franchise tax shall be based upon gross revenues within the city limits.

<u>City</u>	<u>Tax Rate</u>
Alcoa	5.0%
\$ .005/Ccf for transportation only customers	
Blount County	5.0%
\$ .005/Ccf for Transportation only customers	
Bristol	6.0%
Columbia	5.0%
Elizabethton	5.0%
Franklin	3.0%
Greeneville	
Residential Sales	3.0%
Commercial Sales	2.0%
Johnson City	3.0%
Maryville	5.0%
\$ .005/Ccf for transportation only customers	
Morristown	5.0%
Mufreesboro	5.0%
\$ .017 cents per 100 cubic feet of gas transported	
Nolensville	3.0%
Spring Hill	3.0%
Union City	5.0%
Williamson County	5.0%

Deleted: ¶

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs

Effective Date: November 16, 2005

Date Issued: October 17, 2005

Deleted: &lt;sp&gt;¶

Deleted: &lt;sp&gt;¶

¶  
Deleted: