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October 17, 2012

Sharla Dillon, Docket Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

VIA HAND DELIVERY

RE: Atmos Energy Corporation Tennessee and Union City, Tennessee 2011-2012
ACA Filing Docket No. 12-00120

Dear Ms. Dillon:

Enclosed are the original and four copies of the Atmos Energy Corporation's Tennessee and Union City, Tennessee 2011-2012 ACA filing. These documents are marked "To be Filed," and are non-confidential and should be posted in the electronic docket in this matter. The documents are titled "Exhibit II" and "Exhibit III"—there is no "Exhibit I" included with this filing. We have also enclosed an electronic copy of the filing and a check in the amount of \$25.00 for the filing fee.

Separately, at the request of TRA Staff, we have provided one set of notebooks of backup documents. These are to be provided only to TRA Audit Staff. They are confidential, and should not be filed in the docket in this matter.

Also at the request of Staff, we have enclosed two CDs containing the Excel worksheets. One for Audit Staff and the other for the Docket Room. These also are confidential, and are not to be filed in the electronic docket in this matter.

I have also enclosed a proposed Protective Order to be entered in this matter.

Please contact me if you have any questions concerning this filing.

Sharla Dillon, Docket Manager
Page 2
October 17, 2012

Best regards.

Sincerely,

A handwritten signature in black ink, appearing to read "Meghan C. Dougherty". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Meghan C. Dougherty

Enclosures

DOCUMENTS TO BE FILED:

EXHIBIT II

**Atmos Energy Corporation Calculation of ACA Factor
All Tennessee Towns other than Union City
2011 2012 ACA**

EXHIBIT III

**Atmos Energy Corporation Calculation of ACA Factor
Union City, Tennessee
2011 2012 ACA**

EXHIBIT II

**ATMOS ENERGY CORPORATION
CALCULATION OF ACA FACTOR
ALL TENNESSEE TOWNS OTHER THAN UNION CITY
2011 2012 ACA**

1	Previous Year's Demand Cost Balance	\$653,025.14
2	Current Year's Demand Cost (Exhibit II-A)	\$19,204,766.15
3	Current Year's Interest on Demand Cost Balances	\$88,205.24
4	Demand Cost Recovered (EXHIBIT II-A)	\$19,618,749.75
5	Demand Under/(Over)-Recovery	\$327,246.78
6	Previous Year's Commodity Cost Balance	\$167,485.91
7	Current Year's Commodity Cost (EXHIBIT II-B)	\$40,080,297.77
8	Current Year's Interest on Commodity Cost Balances	(\$47,919.88)
9	Bad Debt Cost (EXHIBIT III)	\$131,510.39
10	Commodity Cost Recovered (EXHIBIT II-B)	\$46,378,871.28
11	Commodity Under/(Over)-Recovery	(\$6,047,497.09)

Line	Demand	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12
1	Beginning Balance	653,025.14	2,097,060.29	3,555,033.98	4,862,699.38	6,008,984.81	6,137,923.20	5,110,613.56
2	ACA Audit Adjustment							
3	Invoiced Demand Gas Costs	1,822,735.40	1,822,913.49	1,822,913.49	1,854,309.80	1,939,717.79	1,987,649.51	2,001,520.76
4	Payments and Fees							
	Gas Cost Recovery							
5	Firm sales	382,419.29	372,583.33	526,631.69	722,726.53	1,827,206.09	3,030,170.94	4,130,124.45
6								
7								
	Miscellaneous Adjustments							
	Pipeline Refund							
8	Demand Ending Balance Before Interest	2,093,341.25	3,547,390.45	4,851,315.78	5,994,282.65	6,121,496.51	5,095,401.77	2,982,009.87
9	Average monthly balance	1,373,183.20	2,822,225.37	4,203,174.88	5,428,491.02	6,065,240.66	5,616,662.49	4,046,311.72
10	Interest Rate	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
11	Calculated Interest-Demand	3,719.04	7,643.53	11,383.60	14,702.16	16,426.69	15,211.79	10,958.76
12	Demand Ending Balance Including Interest	2,097,060.29	3,555,033.98	4,862,699.38	6,008,984.81	6,137,923.20	5,110,613.56	2,992,968.63
Total ACA Ending Balance (Including Interest)		2,310,447.89	3,840,684.37	5,037,121.76	6,857,764.62	7,282,558.47	6,333,825.08	2,207,475.91
Total Current Month ACA Interest		4,234.11	8,318.40	12,005.77	16,085.87	19,122.46	18,413.91	11,550.70

Line	Demand	Feb-12	Mar-12	Apr-12	May-12	Jun-12	TOTAL
1	Beginning Balance	2,992,968.63	1,560,612.96	984,770.88	(534,685.21)	(653,926.80)	653,025.14
2	ACA Audit Adjustment						
3	Invoiced Demand Gas Costs	1,995,717.79	1,939,717.79	1,687,023.54	1,690,235.12	1,690,014.54	22,254,469.02
4	Payments and Fees			(1,525,366.66)			(1,525,366.66)
	Gas Cost Recovery						
5	Firm sales	3,434,231.43	2,519,002.08	991,927.59	973,327.15	708,399.18	19,618,749.75
6							0.00
7							0.00
	Miscellaneous Adjustments						
	Pipeline Refund			(689,794.05)	(834,542.16)		(1,524,336.21)
8	Demand Ending Balance Before Interest	1,554,454.99	981,328.67	(535,293.88)	(652,319.40)	327,688.56	239,041.54
9	Average monthly balance	2,273,711.81	1,270,970.82	224,738.50	(593,502.31)	(163,119.12)	
10	Interest Rate	3.25%	3.25%	3.25%	3.25%	3.25%	
11	Calculated Interest-Demand	6,157.97	3,442.21	608.67	(1,607.40)	(441.78)	88,205.24
12	Demand Ending Balance Including Interest	1,560,612.96	984,770.88	(534,685.21)	(653,926.80)	327,246.78	327,246.78
Total ACA Ending Balance (Including Interest)		(937,686.71)	(3,539,877.71)	(5,712,224.53)	(6,435,480.80)	(5,720,250.31)	(5,720,250.31)
Total Current Month ACA Interest		1,852.41	(5,919.94)	(12,511.94)	(16,427.77)	(16,438.62)	40,285.36

ATMOS ENERGY CORPORATION

2011 2012 ACA

ALL TENNESSEE TOWNS OTHER THAN UNION CITY

EXHIBIT II-B
Page 1 of 2

Line	Commodity	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12
1	Beginning Balance	167,485.91	213,387.60	285,650.39	174,422.38	848,779.81	1,144,635.27	1,223,211.52
2		0.00						
3								
4	Invoiced Commodity Gas Costs	3,380,964.73	3,260,325.28	3,243,996.06	4,475,210.92	3,636,183.36	4,908,784.50	5,445,107.77
5	Columbia Gulf Imbalance	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Gas Used By Company	(279.34)	(250.65)	(394.22)	(838.91)	(2,452.25)	(4,749.98)	(6,058.90)
7	Hedging Costs							
8	Margin Loss	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Cashouts	18,933.32	65,371.93	(66,329.58)	(92,246.69)	8,628.56	103,871.13	(50,927.33)
	Inventory Activity							
10	Storage Injections	(1,836,857.71)	(1,778,760.79)	(1,671,213.38)	(1,616,029.11)	(282,186.90)	(526,834.83)	(409,709.52)
11	Storage Withdrawals	43,051.40	77,397.25	13,740.92	173,723.21	1,596,671.97	3,098,506.89	3,158,731.27
	Bad Debt Cost	62,113.41	20,802.59	12,608.22	(5,895.92)	(20,572.22)	(4,056.91)	(1,658.73)
	Gas Cost Recovery							
12	Total Commodity sales	1,622,539.19	1,573,297.69	1,607,044.13	2,260,949.78	4,643,112.83	7,500,146.67	10,144,780.73
13								
14								
	Miscellaneous Adjustments			(37,214.07)				
15	2010-2011 WNA Audit Findings							
16	Pipeline Refund							
17	Commodity Ending Balance Before Interest	212,872.53	284,975.52	173,800.21	847,396.10	1,141,939.50	1,220,009.40	(786,084.66)
18	Average Monthly Balance	190,179.22	249,181.56	229,725.30	510,909.24	995,359.65	1,182,322.33	218,563.43
19	Interest Rate	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
20	Calculated Interest-Commodity	515.07	674.87	622.17	1,383.71	2,695.77	3,202.12	591.94
21	Commodity Ending Balance Including Interest	213,387.60	285,650.39	174,422.38	848,779.81	1,144,635.27	1,223,211.52	(785,492.72)

Line	Commodity	Feb-12	Mar-12	Apr-12	May-12	Jun-12	TOTAL
1	Beginning Balance	(785,492.72)	(2,398,299.67)	(4,524,648.59)	(5,177,539.32)	(5,781,554.00)	167,485.91
2							0.00
3							0.00
4	Invoiced Commodity Gas Costs	3,393,634.24	1,219,860.92	1,607,375.81	1,622,917.19	1,757,714.35	37,952,075.13
5	Columbia Gulf Imbalance	0.00	0.00	0.00	0.00	0.00	0.00
6	Gas Used By Company	(4,774.15)	(2,145.55)	(945.42)	(560.05)	(445.39)	(23,894.81)
7	Hedging Costs						
8	Margin Loss	0.00	0.00	0.00	0.00	0.00	0.00
9	Cashouts	19,329.06	10,215.33	(1,703.55)	(3,832.79)	5,381.53	16,690.92
							0.00
	Inventory Activity						
10	Storage Injections	(255,783.65)	(87,349.02)	(443,390.44)	(876,945.69)	(974,314.59)	(10,759,375.63)
11	Storage Withdrawals	3,041,958.34	1,546,375.35	189,719.71	24,629.49	5,191.08	12,969,696.88
	Bad Debt Cost	(1,251.56)	3,713.38	11,240.32	19,815.02	34,652.79	131,510.39
	Gas Cost Recovery						
12	Total Commodity sales	7,801,613.68	4,807,657.18	2,002,066.55	1,373,154.19	1,042,508.66	46,378,871.28
13							0.00
14							0.00
	Miscellaneous Adjustments						
15	2010-2011 WNA Audit Findings						(72,831.43)
16	Pipeline Refund				-2063.29	-35617.36	(2,063.29)
17	Commodity Ending Balance Before Interest	(2,393,994.11)	(4,515,286.44)	(5,164,418.71)	(5,766,733.63)	(6,031,500.25)	(5,999,577.21)
18	Average Monthly Balance	(1,589,743.41)	(3,456,793.05)	(4,844,533.65)	(5,472,136.47)	(5,906,527.12)	
19	Interest Rate	3.25%	3.25%	3.25%	3.25%	3.25%	
20	Calculated Interest-Commodity	(4,305.56)	(9,362.15)	(13,120.61)	(14,820.37)	(15,996.84)	(47,919.88)
21	Commodity Ending Balance Including Interest	(2,398,299.67)	(4,524,648.59)	(5,177,539.32)	(5,781,554.00)	(6,047,497.09)	(6,047,497.09)

ATMOS ENERGY CORPORATION
BAD DEBT RECOVERIES
ALL TENNESSEE TOWNS OTHER THAN UNION CITY
2011 2012 ACA

	Beginning Balance	Current Month Activity	Reduction for Bad Debt in Base Rates (1)	Ending Balance
July-11	-	62,113.41		62,113.41
August-11	62,113.41	20,802.59		82,916.00
September-11	82,916.00	12,608.22		95,524.22
October-11	95,524.22	(5,895.92)		89,628.30
November-11	89,628.30	(20,572.22)		69,056.08
December-11	69,056.08	(4,056.91)		64,999.17
January-12	64,999.17	(1,658.73)		63,340.44
February-12	63,340.44	(1,251.56)		62,088.88
March-12	62,088.88	3,713.38		65,802.26
April-12	65,802.26	11,240.32		77,042.58
May-12	77,042.58	19,815.02		96,857.60
June-12	96,857.60	34,652.79		131,510.39
TOTAL	131,510.39	131,510.39	-	131,510.39

EXHIBIT III

**ATMOS ENERGY CORPORATION
CALCULATION OF ACA FACTOR
UNION CITY, TENNESSEE
2011 2012 ACA**

1	Previous Year's Demand Cost Balance	\$1,434.23
2	Current Year's Demand Cost	\$111,173.40
3	Interest on Demand Balance	\$51.67
4	Demand Cost Recovered	\$125,170.22
5	Demand Under/(Over)-Recovery	----- (\$12,510.92) -----
6	Previous Year's Commodity Cost Balance	(\$273,623.69)
7	Current Year's Commodity Cost	\$1,274,273.00
8	Interest on Commodity Balance	(\$9,784.64)
9	Bad Debt Expense	\$5,628.74
10	Commodity Cost Recovered	\$1,317,499.63
11	Commodity Under/(Over)-Recovery	----- (\$321,006.22) -----

ATMOS ENERGY CORPORATION
2011 2012 ACA
Union City Tennessee

EXHIBIT III - A

Line	Demand	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	TOTAL
1	Beginning Balance	1,434.23	1,522.99	1,666.88	1,449.66	60.27	10,819.20	11,713.50	5,090.73	576.68	1,889.01	(2,161.76)	(7,974.36)	1,434.23
2														
3	Invoiced Demand Gas Costs	2,135.90	2,135.90	2,067.00	2,135.90	19,032.00	19,666.40	19,666.40	18,397.60	19,666.40	2,067.00	2,135.90	2,067.00	111,173.40
4														0.00
	Gas Cost Recovery													
5	Firm sales	2,051.14	1,996.32	2,288.43	3,627.33	8,287.78	18,802.57	26,311.89	22,919.31	18,357.40	6,117.40	7,934.79	6,575.86	125,170.22
6														0.00
7														0.00
	Miscellaneous Adjustments													
8	Demand Ending Balance Before Interest	1,518.99	1,662.57	1,445.45	58.23	10,804.49	11,683.03	5,068.01	569.02	1,885.68	(2,161.39)	(7,960.65)	(12,483.22)	(12,562.59)
9	Average monthly balance	1,476.61	1,592.78	1,556.17	753.95	5,432.38	11,251.12	8,390.76	2,829.68	1,231.18	(136.19)	(5,061.21)	(10,228.79)	
10	Interest Rate	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	
11	Calculated Interest-Demand	4.00	4.31	4.21	2.04	14.71	30.47	22.72	7.66	3.33	(0.37)	(13.71)	(27.70)	51.67
12	Demand Ending Balance Including Interest	1,522.99	1,666.88	1,449.66	60.27	10,819.20	11,713.50	5,090.73	576.68	1,889.01	(2,161.76)	(7,974.36)	(12,510.92)	(12,510.92)
	Total ACA Ending Balance (Including Interest)	(302,417.16)	(297,162.86)	(265,766.23)	(256,956.04)	(208,127.11)	(191,789.25)	(264,227.38)	(339,221.51)	(442,471.30)	(376,772.43)	(350,904.30)	(333,517.14)	(333,517.14)
	Total Current Month ACA Interest	(777.08)	(810.84)	(761.27)	(706.76)	(628.82)	(540.82)	(616.89)	(816.07)	(1,057.12)	(1,107.89)	(984.07)	(925.56)	(9,732.97)

Line	Commodity	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	TOTAL
1	Beginning Balance	(273,623.69)	(303,940.15)	(298,929.74)	(267,215.89)	(256,916.31)	(218,946.31)	(203,502.75)	(269,318.11)	(339,798.19)	(444,360.31)	(374,610.67)	(342,929.94)	(273,623.69)
2														0.00
3														0.00
4	Invoiced Commodity Gas Costs	177,143.94	125,916.28	176,559.44	145,729.66	58,451.20	46,389.39	135,140.39	52,734.21	22,962.85	51,121.43	102,600.68	137,679.80	1,232,428.29
5	Texas Gas Imbalance	(212,991.56)	(91,677.77)	(110,036.79)	(69,054.24)	58,627.71	160,048.27	94,240.64	80,880.77	(3,139.85)	70,988.40	(9,739.32)	(73,987.08)	(105,820.82)
6	Gas Used By Company	(2.91)	(2.86)	(2.63)	(3.20)	(101.25)	(459.25)	(660.43)	(579.46)	(314.44)	(108.84)	(101.69)	(70.74)	(2,407.72)
7	Hedging Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	0.00	0.00
8	Margin Loss	39,678.46	6,397.29	3,101.94	(2,035.79)	15,909.89	19,718.84	6,880.73	15,167.71	11,421.86	3,358.27	4,276.25	11,475.79	135,353.24
9	Cashouts													0.00
	Inventory Activity													0.00
10	Storage Injections	(11,813.19)	(11,839.50)	(10,815.80)	(10,181.97)	0.00	0.00	0.00	0.00	0.00	(5,916.00)	(5,811.89)	(6,861.90)	(63,240.24)
11	Storage Withdrawals	0.00	0.00	0.00	0.00	7,502.89	20,375.45	20,791.24	21,225.06	11,306.43	0.00		0.00	81,201.07
	Bad Debt Cost	2,789.55	840.02	371.88	(289.62)	(472.70)	(288.14)	(6.03)	(423.46)	180.16	39.51	803.95	2,083.64	5,628.74
	Gas Cost Recovery													
12	Commodity sales	24,339.69	23,707.88	26,434.65	53,156.48	101,304.21	228,769.71	321,562.50	238,661.15	145,918.68	48,625.61	56,889.80	47,129.27	1,317,499.63
13														0.00
14														0.00
	Miscellaneous Adjustments													
15	2010-2011 WNA Audit Findings													(751.72)
16	Transfer Pipeline Refund Balance													(2,489.10)
17	Commodity Ending Balance Before Interest	(303,159.09)	(298,014.59)	(286,450.41)	(256,207.51)	(218,302.78)	(202,931.46)	(268,678.70)	(338,974.46)	(443,299.86)	(373,503.15)	(341,959.58)	(320,108.36)	(311,221.58)
18	Average Monthly Balance	(288,391.39)	(300,977.37)	(282,640.08)	(261,711.70)	(237,609.54)	(210,938.88)	(236,090.73)	(304,146.29)	(391,549.03)	(408,931.73)	(358,285.13)	(331,519.15)	
19	Interest Rate	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	
20	Calculated Interest-Commodity	(781.06)	(815.15)	(765.48)	(708.80)	(643.53)	(571.29)	(639.41)	(823.73)	(1,060.45)	(1,107.52)	(970.36)	(897.86)	(9,784.64)
21	Commodity Ending Balance Including Interest	(303,940.15)	(298,829.74)	(287,215.89)	(256,916.31)	(218,946.31)	(203,502.75)	(269,318.11)	(339,798.19)	(444,360.31)	(374,610.67)	(342,929.94)	(321,006.22)	(321,006.22)

EXHIBIT III - C

AtmosEnergy Corporation
ACA Bad Debt Expense - Union City Tennessee
2011 2012 ACA

	BEGINNING BALANCE	CURRENT MONTH ACTIVITY	ENDING BALANCE
July-11	\$0.00	2,789.55	2,789.55
August-11	\$2,789.55	840.02	3,629.57
September-11	\$3,629.57	371.88	4,001.45
October-11	\$4,001.45	(289.62)	3,711.83
November-11	\$3,711.83	(472.70)	3,239.13
December-11	\$3,239.13	(288.14)	2,950.99
January-12	\$2,950.99	(6.03)	2,944.96
February-12	\$2,944.96	(423.48)	2,521.48
March-12	\$2,521.48	180.16	2,701.64
April-12	\$2,701.64	39.51	2,741.15
May-12	\$2,741.15	803.95	3,545.10
June-12	\$3,545.10	2,083.64	5,628.74
Total		5,628.74	
		Beginning Balance	\$0.00
		Activity Jul 11 thru Jun 12	5,628.74
		Ending Balance	<u>\$5,628.74</u>