

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION  
NASHVILLE, TENNESSEE**

**IN RE:** )  
)  
**PETITION OF ATMOS ENERGY** ) **Docket No. 26- 00014**  
**CORPORATION FOR APPROVAL OF** )  
**OPTIONAL MONTHLY FACILITIES** )  
**CHARGE FOR ELECTRONIC FLOW** )  
**MEASUREMENT EQUIPMENT FOR** )  
**DEMAND/COMMODITY,** )  
**INTERRUPTIBLE, AND** )  
**TRANSPORTATION GAS SERVICE** )  
**CUSTOMERS** )

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**PETITION FOR APPROVAL OF OPTIONAL MONTHLY FACILITIES CHARGE FOR  
ELECTRONIC FLOW MEASUREMENT EQUIPMENT FOR  
DEMAND/COMMODITY, INTERRUPTIBLE, AND TRANSPORTATION GAS  
SERVICE CUSTOMERS**

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Atmos Energy Corporation (“Atmos Energy” or “Company”) respectfully requests, under TPUC Rule 1220-04-01-.06, that the Tennessee Public Utility Commission (“Commission”) approve its petition for the inclusion of an optional monthly facilities charge for electronic flow measurement (“EFM”) equipment for all Demand/Commodity, Interruptible, and Transportation Gas Service Customers in its Tariff.

In support of this Petition, Atmos Energy respectfully submits the following:

1. Full name and address of the principal place of business of the company are:

Atmos Energy Corporation  
5430 LBJ Freeway S 1800  
Dallas, TX 75240

2. All correspondence and communications with respect to this Petition should be sent to the following:

Mark Martin  
Atmos Energy Corporation  
Rates & Regulatory Affairs  
3275 Highland Pointe Drive  
Owensboro, KY 42303-7835  
[mark.martin@atmosenergy.com](mailto:mark.martin@atmosenergy.com)

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3102 West End Ave., Ste. 1100  
Nashville, TN 37203  
[elybeck@simsfunk.com](mailto:elybeck@simsfunk.com)

Erikka Hise, Esq.  
Atmos Energy Corporation  
P. O. Box 650205  
Dallas, TX 75265-0205  
(972) 855-3080 – Facsimile

3. Atmos Energy is a corporation organized and existing under the laws of the state of Texas and Virginia and is engaged in the business of transporting, distributing and selling natural gas, including in areas of Tennessee.

4. Under Schedules 240, 250, and 260, all demand/commodity service, interruptible service, and transportation gas service customers are required to have electronic flow monitoring (“EFM”) equipment and to pay for all costs associated with the installation and operation of such equipment.

5. Effective September 1, 2026, older EFM equipment will not operate if it is not transitioned to more modern technology that will allow transmission of meter data through cellular systems, as telecommunications providers will no longer be providing the “Plain Old Telephone Service” (“POTS”) services through which these older meters function. This transition process will entail significant additional costs for Atmos Energy’s customers.

6. Rather than requiring customers to pay the full costs of the new EFM equipment upfront, as a service to its customers, Atmos Energy is proposing tariff amendments that would

permit customers to pay a monthly EFM facilities charge rather than be responsible for paying the entire cost of the new equipment in one lump sum payment. This voluntary, optional monthly charge is designed to be a rate neutral mechanism that would not materially affect volumetric rates charged to any customer class.

7. The Company's proposed amended tariff sheets are attached as Collective Exhibit A to this Petition. For ease of reference, redlines tracking changes from the current tariff sheets are attached as Collective Exhibit B.

8. The Company's proposed tariff amendments are further supported in the attached Direct Testimony of Daniel P. Bertotti.

**WHEREFORE**, Atmos Energy respectfully requests that the Commission issue an order that approves the attached proposed tariff amendments on or before May 1, 2026, or as soon thereafter as is reasonably practicable.

Respectfully submitted,

**SIMS|FUNK, PLC**

By: 

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*Counsel for Atmos Energy Corporation*

# **EXHIBIT A**

DEMAND/COMMODITY GAS SERVICE

Schedule 240: All Service Areas

Availability

This schedule is available within the Company service area to 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 terminate3d by either party following twelve (12) months notice to the other party.

Customer Charge

A monthly customer charge of \$505.00 is payable regardless of the usage of gas.

Monthly Rate

Demand Charge

Per Unit of Billing Demand \$2.3022 per Ccf

Commodity Charge

First	20,000 Ccf per month	\$ .1751
Next	480,000 Ccf per month	\$ .1159
Over	500,000 Ccf per month	\$ .0537

Optional Facilities Charge for Electronic Flow Measurement (“EFM”) Equipment

\$75.00 per month

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.

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## 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.

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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 taxes. All customers shall also be required to provide adequate space in new or existing facilities for the installation of the data collection equipment. Effective September 1, 2026, electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain demand/commodity service. The customer is responsible for providing the electric and communications support services related to the EFM equipment. Customers required to install EFM may elect the optional monthly EFM facilities charge.

DEMAND/COMMODITY GAS SERVICE

Schedule 240: All Service Areas (Continued)

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.

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 Public Utility Commission.

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.

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INTERRUPTABLE 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 requirements (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) hours' 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 \$505.00 is payable regardless of the usage of gas.

Monthly Rate

First	20,000 Ccf per month	\$.1751
Next	480,000 Ccf per month	\$.1159
Over	500,000 Ccf per month	\$.0537

Minimum Bill

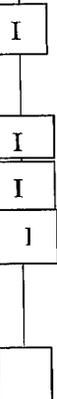
The minimum net monthly bill shall be \$505.00.

Optional Facilities Charge for Electronic Flow Measurement ("EFM") Equipment

\$75.00 per month

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.



## 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 Public Utility Commission.

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. Effective September 1, 2026, electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain interruptible service. The customer is responsible for providing the electric and communications support services related to the EFM equipment. Customers required to install EFM may elect the optional monthly EFM facilities charge.

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.

## TRANSPORTATION SERVICE

Schedule 260: All Service AreasA. 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.
- (iii) "PGA Rider" means the Company's Purchased Gas Adjustment Rider, as amended and approved by the Tennessee Public Utility Commission 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.
- (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.

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 Public Utility Commission 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)

TRANSPORTATION SERVICE (Continued)

Schedule 260: All Service Areas

C. 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
    1. 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 *Platt's Gas Daily*, 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 *Platt's Gas Daily*, plus applicable pipeline fuel and transportation charges.
    2. 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:

**Cash out Price**

<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%

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## 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.
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
  - 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.
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.
  - a. Customers' agents shall be allowed to aggregate their customers' usages for the purposes of balancing, pursuant to the Pooling Service in Section E.

## ATMOS ENERGY CORPORATION

## 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.
- (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.
- (viii) All volumes transported under the terms of this rate schedule shall be included in the Purchases Gas Adjustment computations and included in the sales volumes of the Purchased Gas Adjustment computations.
- (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. Effective September 1, 2026, electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communications support services related to the EFM equipment. Customers required to install EFM may elect the optional monthly EFM facilities charge.
- (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 month 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.

D. Rate

A monthly customer charge of \$505.00 per meter is payable regardless of the usage of gas.

Monthly Demand ChargeThe 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.

Optional Facilities Charge for Electronic Flow Measurement ("EFM") Equipment

\$75.00 per month

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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.
- (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.
- (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.
- (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.
- (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.
- (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.
- (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. Such credit requirements shall be administered by the

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.
- (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.
- (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.
- (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.

# **EXHIBIT B**

DEMAND/COMMODITY GAS SERVICE

Schedule 240: All Service Areas

Availability

This schedule is available within the Company service area to 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 terminate3d by either party following twelve (12) months notice to the other party.

Customer Charge

A monthly customer charge of \$505.00 is payable regardless of the usage of gas.

Monthly Rate

Demand Charge

Per Unit of Billing Demand \$2.3022 per Ccf

Commodity Charge

First 20,000 Ccf per month \$.1751  
Next 480,000 Ccf per month \$.1159  
Over 500,000 Ccf per month \$.0537

Optional Facilities Charge for Electronic Flow Measurement ("EFM") Equipment

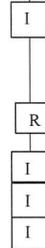
\$75.00 per month

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.



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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.

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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 taxes. All customers shall also be required to provide adequate space in new or existing facilities for the installation of the data collection equipment. Effective September 1, 2026, electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain demand/commodity service. The customer is responsible for providing the electric and communications support services related to the EFM equipment. Customers required to install EFM may elect the optional monthly EFM facilities charge.

Gas Lights

~~For all metered gas light services under this tariff, the charge for such service shall be based on actual~~

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DEMAND/COMMODITY GAS SERVICE  
Schedule 240: All Service Areas (Continued)

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.

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 Public Utility Commission.

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.

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INTERRUPTABLE 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 requirements (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 (½) hours' 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 \$505.00 is payable regardless of the usage of gas.

Monthly Rate

First	20,000 Ccf per month	\$ .1751
Next	480,000 Ccf per month	\$ .1159
Over	500,000 Ccf per month	\$ .0537

Minimum Bill

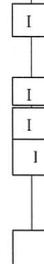
The minimum net monthly bill shall be \$505.00.

Optional Facilities Charge for Electronic Flow Measurement ("EFM") Equipment

\$75.00 per month

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.



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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 Public Utility Commission.

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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.

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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.

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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.

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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. Effective September 1, 2026, electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain interruptible service. The customer is responsible for providing the electric and communications support services related to the EFM equipment. Customers required to install EFM may elect the optional monthly EFM facilities charge.

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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.

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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.
- (iii) "PGA Rider" means the Company's Purchased Gas Adjustment Rider, as amended and approved by the Tennessee Public Utility Commission 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.
- (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.

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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 Public Utility Commission 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)

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TRANSPORTATION SERVICE (Continued)

Schedule 260: All Service Areas

C. 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
    1. 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 *Platt's Gas Daily*, 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 *Platt's Gas Daily*, plus applicable pipeline fuel and transportation charges.
    2. 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:

Cash out Price

<u>% of Imbalance</u>	<u>for Positive Imbalances</u>	<u>for Negative Imbalances</u>
0%	up to 5%	100%
5%	up to 10%	85%
10%	up to 15%	70%
15%	up to 20%	60%
20%	and over	50%

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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.
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
  - 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.
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.
  - a. Customers' agents shall be allowed to aggregate their customers' usages for the purposes of balancing, pursuant to the Pooling Service in Section E.

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.
- (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.
- (viii) All volumes transported under the terms of this rate schedule shall be included in the Purchases Gas Adjustment computations and included in the sales volumes of the Purchased Gas Adjustment computations.
- (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. Effective September 1, 2026, electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communications support services related to the EFM equipment. Customers required to install EFM may elect the optional monthly EFM facilities charge.
- (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 month 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.

D. Rate  
A monthly customer charge of \$505.00 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.

Optional Facilities Charge for Electronic Flow Measurement ("EFM") Equipment  
\$75.00 per month

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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.
- (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.
- (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.
- (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.
- (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.
- (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.
- (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. Such credit requirements shall be administered by the

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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.
- (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.
- (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.
- (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.