

Report of Independent Auditors

The Board of Directors
Atmos Energy Corporation

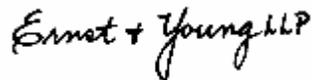
We have audited the accompanying schedule of 2005 Annual Reconciliation – State-Wide Illinois of Atmos Energy Corporation as of December 31, 2005, and for the year then ended. This schedule is the responsibility of the Company’s management. Our responsibility is to express an opinion on this schedule based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of 2005 Annual Reconciliation – State-Wide Illinois is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule of 2005 Annual Reconciliation – State Wide Illinois. An audit also includes assessing the counting principles used and significant estimates made by management, as well as evaluating the overall schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents fairly, in all material respects, the 2005 Annual Reconciliation – State-Wide Illinois of Atmos Energy Corporation at December 31, 2005, and for the year then ended, in conformity with accounting principles generally accepted in the United States.

This report is intended solely for the information and use of Atmos Energy Corporation and the Illinois Commerce Commission and is not intended to be and should not be used by anyone other than these specified parties

March 30, 2006



ATMOS ENERGY CORPORATION
2005 ANNUAL RECONCILIATION
STATE WIDE ILLINOIS
December 2005

	<u>AMOUNT</u>
1. Unamortized Balance as of December 31, 2004 Reconciliation	(\$230,326.53)
2. Factor A Adjustments Amortized to Schedule I at 12/31/04 per 2004 Reconciliation	(\$23,403.95)
3. Factor O Collected/(Refunded) During 2004	\$60,704.61
4. Balance to be Collected/(Refunded) During 2005 from prior periods	(\$193,025.87)
5. 2005 Recoverable Costs	\$19,972,495.59
6. 2005 PGA Revenues	(\$22,284,100.71)
7. 2005 Refunds or Surcharges	\$0.00
8. Other Adjustments	\$0.00
9. Interest	(\$25,976.33)
10. 2005 Under/(Over)-Recovery	(\$2,337,581.45)
11. Under/(Over)-Recovery Balance at December 31, 2005	(\$2,530,607.32)
12. Factor A Adjustments Amortized to Schedule I at December 31, 2005	\$252,410.12
13. Unamortized Balance at December 31, 2005	(\$2,173,628.37)
14. Requested Factor O	(\$104,568.83)

ATMOS ENERGY CORPORATION
2005 ANNUAL RECONCILIATION
STATE WIDE ILLINOIS

Exhibit I
Page 2 of 3

Line	Description	January	February	March	April	May	June	Subtotal	Line
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
1	<u>Gas Cost Recoverable through Gas Charge</u>								1
2	Total Invoice Cost	\$2,165,099.98	\$1,534,970.18	\$1,521,135.83	\$1,408,285.73	\$984,033.09	\$852,161.47	\$8,465,686.28	2
3	Add: Storage Withdrawals	\$1,022,140.28	\$854,061.29	\$836,129.57	\$26,864.27	\$94,895.28	\$290,269.39	\$3,124,360.08	3
4	Interest	(\$866.01)	(\$2,061.63)	(\$3,294.61)	(\$2,134.18)	(\$1,985.23)	(\$1,620.58)	(\$11,962.24)	4
5	LP Gas	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	5
6	Less: Storage Injections	(\$51,502.56)	(\$15,602.16)	(\$27,860.45)	(\$346,812.85)	(\$290,000.26)	(\$444,570.07)	(\$1,176,348.35)	6
7	Company Use	(\$37,531.87)	(\$18,776.01)	(\$17,097.70)	(\$20,493.58)	(\$2,972.47)	(\$3,360.49)	(\$100,232.12)	7
8	Total Recoverable Gas Cost	<u>\$3,097,339.82</u>	<u>\$2,352,591.67</u>	<u>\$2,309,012.64</u>	<u>\$1,065,709.39</u>	<u>\$783,970.41</u>	<u>\$692,879.72</u>	<u>\$10,301,503.65</u>	8
9	<u>Gas Cost Recovered</u>								9
10	Purchased Gas Adjustment	<u>\$3,502,579.36</u>	<u>\$3,341,723.70</u>	<u>\$3,251,565.00</u>	<u>\$1,783,427.00</u>	<u>\$901,994.29</u>	<u>\$396,460.00</u>	<u>\$13,177,749.35</u>	10
11	Unbilled Gas Cost Prior Month	(\$2,097,074.00)	(\$1,881,835.00)	(\$1,636,069.00)	(\$1,409,449.00)	(\$188,905.00)	\$4,095.00	(\$2,097,074.00)	11
12	Unbilled Gas Cost Current Month 2005	<u>\$1,881,835.00</u>	<u>\$1,636,069.00</u>	<u>\$1,409,449.00</u>	<u>\$188,905.00</u>	<u>(\$4,095.00)</u>	<u>\$43,909.00</u>	<u>\$43,909.00</u>	12
13	Under/(Over) Recovery	(\$190,000.54)	(\$743,366.03)	(\$715,932.36)	\$502,826.39	\$74,976.12	\$248,415.72	(\$823,080.70)	13

ATMOS ENERGY CORPORATION
2005 ANNUAL RECONCILIATION
STATE WIDE ILLINOIS

Line	Description	Subtotal	July	August	September	October	November	December	Total	Line
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
1	<u>Gas Cost Recoverable through Gas Charge</u>									1
2	Total Invoice Cost	\$8,465,686.28	\$963,836.14	\$1,030,117.21	\$1,423,432.39	\$1,472,408.54	\$2,656,571.20	\$3,315,747.87	\$19,327,799.63	2
3	Add: Storage Withdrawals	\$3,124,360.08	\$4,882.80	\$5,317.25	\$14,717.00	\$70,027.48	\$406,557.87	\$908,930.76	\$4,534,793.24	3
4	Interest	(\$11,962.24)	(\$1,202.15)	(\$954.42)	(\$320.17)	(\$2,863.97)	(\$552.73)	(\$8,120.65)	(\$25,976.33)	4
5	LP Gas	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	5
6	Less: Storage Injections	(\$1,176,348.35)	(\$497,893.33)	(\$530,208.92)	(\$670,498.22)	(\$769,383.41)	(\$62,940.03)	(\$25,456.29)	(\$3,732,728.55)	6
7	Company Use	(\$100,232.12)	\$0.00	(\$1,667.83)	(\$1,794.53)	\$0.00	(\$23,169.87)	(\$30,504.38)	(\$157,368.73)	7
8	Total Recoverable Gas Cost	<u>\$10,301,503.65</u>	<u>\$469,623.46</u>	<u>\$502,603.29</u>	<u>\$765,536.47</u>	<u>\$770,188.64</u>	<u>\$2,976,466.44</u>	<u>\$4,160,597.31</u>	<u>\$19,946,519.26</u>	8
9	<u>Gas Cost Recovered</u>									9
10	Purchased Gas Adjustment	<u>\$13,177,749.35</u>	<u>\$383,157.00</u>	<u>\$338,912.36</u>	<u>\$453,172.00</u>	<u>\$623,265.00</u>	<u>\$1,808,183.00</u>	<u>\$4,702,026.00</u>	<u>\$21,486,464.71</u>	10
11	Unbilled Gas Cost Prior Month	(\$2,097,074.00)	(\$43,909.00)	(\$124,473.00)	(\$124,024.00)	(\$74,569.00)	(\$404,927.00)	(\$1,227,566.00)	(\$2,097,074.00)	11
12	Unbilled Gas Cost Current Month 2005	<u>\$43,909.00</u>	<u>\$124,473.00</u>	<u>\$124,024.00</u>	<u>\$74,569.00</u>	<u>\$404,927.00</u>	<u>\$1,227,566.00</u>	<u>\$2,894,710.00</u>	<u>\$2,894,710.00</u>	12
13	Under/(Over) Recovery	(\$823,080.70)	\$5,902.46	\$164,139.93	\$361,819.47	(\$183,434.36)	\$345,644.44	(\$2,208,572.69)	(\$2,337,581.45)	13