

## **DISCLAIMER**

**This site contains the content of the Company's tariffs. The official tariffs are on file with the relevant state regulatory commissions. While every effort has been made to ensure that the tariffs on this site are accurate and are updated on a timely basis, Atmos does not warrant that they are identical in every respect to the official tariffs on file with the relevant regulatory agencies and expressly disclaims any responsibility or liability for any differences.**

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**THIS DOCUMENT LAST UPDATED September 2, 2010**

**ATMOS ENERGY CORPORATION**  
**Rate Book Index**

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**ATMOS ENERGY CORPORATION**  
**Incorporated and Unincorporated Cities Served**

Incorporated Cities

West Texas Service Area

Abernathy	Lake Tanglewood	Quitaque
Amherst	Lamesa	Ralls
Anton	Levelland	Ranson Canyon
Big Spring	Littlefield	Ropesville
Bovina	Lockney	Sanford
Brownfield	Lorenzo	Seagraves
Buffalo Springs Lake	Los Ybanez	Seminole
Canyon	Meadow	Shallowater
Coahoma	Midland	Silverton
Crosbyton	Muleshoe	Slaton
Dimmitt	Nazareth	Smyer
Earth	New Deal	Springlake
Edmonson	New Home	Stanton
Floydada	Odessa	Sudan
Forsan	O'Donnell	Tahoka
Friona	Olton	Timbercreek Canyon
Fritch	Opdyke West	Tulia
Hale Center	Palisades	Turkey
Happy	Pampa	Vega
Hart	Panhandle	Wellman
Hereford	Petersburg	Wilson
Idalou	Plainview	Wolfforth
Kress	Post	

Amarillo Service Area

Amarillo  
Dalhart  
Channing

Lubbock Service Area

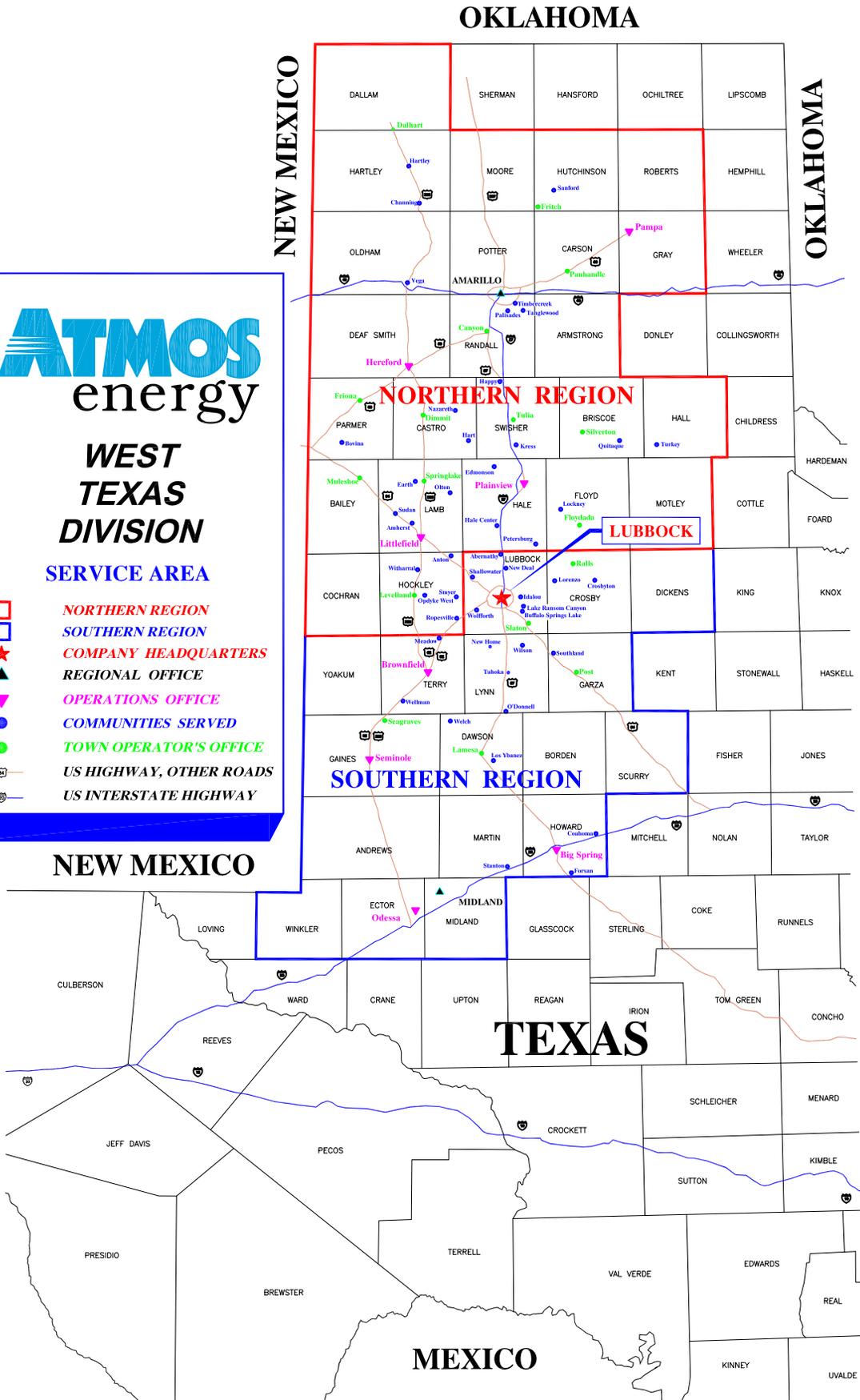
Lubbock

**ATMOS**  
 energy

**WEST TEXAS DIVISION**

**SERVICE AREA**

- NORTHERN REGION**
- SOUTHERN REGION**
- ★ **COMPANY HEADQUARTERS**
- ▲ **REGIONAL OFFICE**
- ▼ **OPERATIONS OFFICE**
- **COMMUNITIES SERVED**
- **TOWN OPERATOR'S OFFICE**
- US HIGHWAY, OTHER ROADS**
- US INTERSTATE HIGHWAY**



Residential Gas Service

Availability

This schedule is applicable to general use by Residential customers for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Customer Charge: \$ 8.21

Commodity Charge:

All Consumption \$ 0.12862 per Ccf

The West Texas Division Gas Cost Adjustment Rider applies to this schedule.

The West Texas Division Weather Normalization Adjustment Rider applies to this schedule.

The Amarillo Rate Review Mechanism (RRM) Adjustment Rider applies to this schedule.

The Amarillo Conservation Program Adjustment Rider applies to this schedule.

**ATMOS ENERGY CORPORATION**  
**Amarillo Distribution System - OCL**

Residential Gas Service

Availability

This schedule is applicable to general use by Residential customers for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Customer Charge: \$ 9.50

Commodity Charge:

All Consumption \$ 0.07425 per Ccf

The Amarillo System Gas Cost Adjustment Rider applies to this schedule.

The Amarillo System Weather Normalization Adjustment Rider applies to this schedule.

EFFECTIVE: Bills rendered on and after March 8, 2005 Outside City Limits

ISSUED BY: C.W. Guy, Vice President - Rates & Regulatory Affairs

Commercial Gas Service

Availability

This schedule is applicable to Commercial customers, including hospitals and churches, for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with alternative supply of natural gas.

Monthly Rate

Customer Charge: \$ 15.52

Commodity Charge:

All Consumption \$ 0.12617 per Ccf

The West Texas Division Gas Cost Adjustment Rider applies to this schedule.

The West Texas Division Weather Normalization Adjustment Rider applies to this schedule.

The Amarillo Rate Review Mechanism (RRM) Adjustment Rider applies to this schedule.

The Amarillo Conservation Program Adjustment Rider applies to this schedule.

EFFECTIVE: For Bills rendered on and after August 1, 2010 Inside City Limits

ISSUED BY: C.W. Guy, Vice President - Rates & Regulatory Affairs

Commercial Gas Service

Availability

This schedule is applicable to Commercial type customers, including hospitals and churches, for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Customer Charge: \$ 15.00

Commodity Charge:

All Consumption \$ 0.09100 per Ccf

The Amarillo System Gas Cost Adjustment Rider applies to this schedule.

The Amarillo System Weather Normalization Adjustment Rider applies to this schedule

EFFECTIVE: Bills rendered on and after March 8, 2005 Outside City Limits

ISSUED BY: C.W. Guy, Vice President - Rates & Regulatory Affairs

Small Industrial Gas Service

Availability

This schedule is applicable to the sales of any industrial or commercial customer whose predominant use of natural gas is other than space heating, cooking, water heating or other similar type uses. Service under this schedule is available to eligible customers following execution of a contract specifying the maximum hourly load. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Customer Charge: \$ 58.23

Commodity Charge:

All Consumption \$ 0.11982 per Ccf

The West Texas Division Gas Cost Adjustment Rider applies to this schedule.

The Amarillo Rate Review Mechanism Rider (RRM) Adjustment Rider applies to this schedule.

The Amarillo Conservation Program Adjustment Rider applies to this schedule.

EFFECTIVE: For Bills rendered on and after August 1, 2010 Inside City Limits

ISSUED BY: C.W. Guy, Vice President - Rates & Regulatory Affairs

Small Industrial Gas Service

Availability

This schedule is applicable to the sales of any industrial or commercial customer whose predominant use of natural gas is other than space heating, cooking, water heating or other similar type uses. Service under this schedule is available to eligible customers following execution of a contract specifying the maximum hourly load. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Customer Charge: \$ 50.00

Commodity Charge:

All Consumption \$ 0.09400 per Ccf

The Amarillo System Gas Cost Adjustment Rider applies to this schedule.

EFFECTIVE: Bills rendered on and after March 8, 2005 Outside City Limits

ISSUED BY: C.W. Guy, Vice President - Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**Amarillo Distribution System - ICL**

State Institution Gas Service  
(New Tariff)

Availability

This schedule is applicable gas service to state agencies (as provided in Texas utilities Code, Section 104.202) including, but not limited to, state college and universities, MHMR Schools, agriculture, highway and public safety departments, prisons, and other facilities owned or operated by the State of Texas for the purpose of heating, cooking, refrigeration, water heating and other similar type uses.

Monthly Rate

Customer Charge: \$ 39.44

Commodity Charge:

All Consumption \$ 0.11798 per Ccf

The West Texas Gas Cost Adjustment Rider applies to this schedule.

The West Texas Weather Normalization Adjustment Rider applies to this schedule.

The Amarillo Rate Review Mechanism (RRM) Adjustment Rider applies to this schedule.

The Amarillo Conservation Program Adjustment Rider applies to this schedule.

EFFECTIVE: For Bills rendered on and after August 1, 2010 Inside City Limits

ISSUED BY: C.W. Guy, Vice President - Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**Amarillo Distribution System - ICL**

**Tariff No. 23117**  
**Page 13**

Public Authority Gas Service

Availability

This schedule is applicable to general use by Public Authority type customers, including public schools for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available to premises with an alternative supply of natural gas.

Monthly Rate

Customer Charge: \$ 39.44

Commodity Charge:

All Consumption \$ 0.11798 per Ccf

The West Texas Division Gas Cost Adjustment Rider applies to this schedule.

The West Texas Division Weather Normalization Adjustment Rider applies to this schedule.

The Amarillo Rate Review Mechanism (RRM) Adjustment Rider applies to this schedule.

The Amarillo Conservation Program Adjustment Rider applies to this schedule.

EFFECTIVE: For Bills rendered on and after August 1, 2010 Inside City Limits

ISSUED BY: C.W. Guy, Vice President - Rates & Regulatory Affairs

Public Authority Gas Service

Availability

This schedule is applicable to general use by Public Authority type customers, including public schools, for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Customer Charge: \$ 35.00

Commodity Charge:

All Consumption \$ 0.09200 per Ccf

The Amarillo System Gas Cost Adjustment Rider applies to this schedule.

The Amarillo System Weather Normalization Adjustment Rider applies to this schedule.

EFFECTIVE: Bills rendered on and after March 8, 2005 Outside City Limits

ISSUED BY: C.W. Guy, Vice President - Rates & Regulatory Affairs

West Texas Division Gas Cost Adjustment Rider

Application

Gas bills issued under rate schedules to which this Rider applies will include adjustments to reflect decreases or increases in purchased gas costs or taxes. Purchased gas costs includes any prudently incurred transaction related fees, gains or losses and other transaction costs associated with the use of various financial instruments that are executed by the Company for the purpose of price volatility mitigation. Accumulated Deferred Gas Costs shall also be adjusted for gas cost amounts which are uncollectible. Any such adjustments shall be filed with the City's Secretary before the beginning of the month in which the adjustment will be applied to bills. The amount of each adjustment shall be computed as follows:

Gas Cost Adjustment (GCA)

The GCA to be applied to each Ccf billed shall be computed as follows and rounded to the nearest \$0.01:

$$GCA = (G/S + CF) \times TF$$

Where:

1. "G", in dollars, is the expected cost of gas for the expected sales billings units.
2. "S", in Ccf as measured at local atmospheric pressure, is the expected sales billing units to be billed to customers in the respective section of the Company's Amarillo and West Texas Service Area.
3. "CF", in \$/Ccf as measured at local atmospheric pressure, is the correction factor charge per Ccf to adjust for the cumulative monthly difference between the cost of gas purchased by the Company and the amount of gas cost billed to the customer plus any gas cost which is uncollectible.

More specifically, CF shall be calculated as follows:

$$CF = (a/b) + (c/b)$$

- a = over (under) collection dollar amount for the 12 month period ending September.  
b = expected estimated sales volumes for the future 12 month period ending November.  
c = net uncollectible gas cost, that is:

(uncollectible gas cost for the previous 12 months ended September) – (subsequently collected gas cost for the previous 12 months ended September)

Once a year, on a 12 months ended September basis, the Company shall review the percentage of lost and unaccounted for gas. If this percentage exceeds 5% of the amount metered in, the correcting account balance will be reduced so that the customer will effectively be charged a maximum of 5% for lost and unaccounted for gas and the Company will absorb the excess.

4. "TF" is the tax factor. The tax factor for all unincorporated areas is 1. For incorporated areas the tax factor for each service area is calculated as:  $1/[1-(SGR+FFR)]$  where SGR = the applicable state gross receipts rate imposed by sections 182-021 – 182-025 of the Texas Tax Code that is not otherwise collected by a separate rider and where FFR = the applicable franchise fee rate per city ordinance that is not otherwise collected by a separate rider.

**EFFECTIVE:** For Bills rendered on and after August 1, 2010 Inside City Limits

**ISSUED BY:** C.W. Guy, Vice President - Rates & Regulatory Affairs

Gas Cost Adjustment Rider

Application

Gas bills issued under rate schedules to which this Rider applies will include adjustments to reflect decreases or increases in purchased gas costs or taxes. Accumulated Deferred Gas Costs shall also be adjusted for gas costs amounts which are uncollectible. Any such adjustments shall be filed with the City's Secretary before the beginning of the month in which the adjustment will be applied to bills. The amount of each adjustment shall be computed as follows:

Gas Cost Adjustment (GCA)

The GCA to be applied to each Ccf billed shall be computed as follows and rounded to the nearest \$0.01:

$$GCA = (G/S + CF) \times TF$$

Where:

1. "G", in dollars, is the expected cost of gas for the expected sales billing units.
2. "S", in Ccf as measured at local atmospheric pressure, is the expected sales billing units to be billed to customers in the Company's Amarillo Outside City Limits Service Area.
3. "CF", in \$/Ccf as measured at local atmospheric pressure, is the correction factor charge per Ccf to adjust for the cumulative monthly difference between the cost of gas purchased by the Company and the amount of gas cost billed to the customer plus any gas cost which is uncollectible.

More specifically, CF shall be calculated as follows:

$$CF = (a/b) + (c/b)$$

a = over (under) collection dollar amount for the 12 month period ending September.

b = expected estimated sales volumes for the future 12 month period ending November.

c = net collectible gas cost, that is:

(uncollectible gas cost for the previous 12 months ended September) – (subsequently collected gas cost for the previous 12 months ended September)

Once a year, on a 12 months ended September basis, the Company shall review the percentage of lost and unaccounted for gas. If this percentage exceeds 5% of the amount metered in, the correcting account balance will be reduced so that the customer will effectively be charged a maximum of 5% for lost and unaccounted for gas and the Company will absorb the excess.

4. "TF" is a tax factor of 1.00000 for customers outside the city limits.

EFFECTIVE: Bills rendered on and after March 8, 2005 Outside City Limits, Amended October 1, 2005

ISSUED BY: C.W. Guy, Vice President - Rates & Regulatory Affairs

West Texas Division Weather Normalization Adjustment (WNA) Rider

Provision for Adjustment

The base rate per Ccf (100,000 Btu) for gas service set forth in any Rate Schedules utilized in the City of Amarillo or its environs for determining normalized winter 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 temperature sensitive residential, commercial and public authority bills based on meters read during the revenue months of October through May.

Computation of Weather Normalization Adjustment

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

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

Where

- $R_i$  = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
- $WNAF_i$  = Weather Normalization Adjustment Factor for the  $i^{th}$  rate schedule or classification expressed in cents per Ccf
- $R_i$  = base rate of temperature sensitive sales for the  $i^{th}$  schedule or classification utilized
- $HSF_i$  = heat sensitive factor for the  $i^{th}$  schedule or classification divided by the average bill count in that class
- $NDD$  = billing cycle normal heating degree days
- $ADD$  = billing cycle actual heating degree days
- $BL_i$  = base load sales for the  $i^{th}$  schedule or Classification divided by the average bill count in that class

The Weather Normalization Adjustment for the  $j^{th}$  customer in  $i^{th}$  rate schedule is computed as:

$$WNA_{ij} = WNAF_i \times q_{ji}$$

Where  $q_{ji}$  is the relevant sales quantity for the  $j^{th}$  Customer in  $i^{th}$  rate schedule

EFFECTIVE: Bills rendered on and after August 1, 2010 Inside City Limits

ISSUED BY: C.W. Guy, Vice President - Rates & Regulatory Affairs

Weather Normalization Adjustment (WNA) Rider

Provision for Adjustment

The base rate per Ccf (100,000 Btu) for gas service set forth in any Rate Schedules utilized in the City of Amarillo or its environs for determining normalized winter 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 temperature sensitive residential, commercial, and public authority bills based on meters read during the revenue months of October through May.

Computation of Weather Normalization Adjustment

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

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

Where

- $WNAF_i$  = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
- $WNAF_i$  = Weather Normalization Adjustment Factor for the  $i^{th}$  rate schedule or classification expressed in cents per Ccf
- $R_i$  = base rate of temperature sensitive sales for the  $i^{th}$  schedule or classification utilized
- $HSF_i$  = heat sensitive factor for the  $i^{th}$  schedule or classification divided by the average bill count in that class
- $NDD$  = billing cycle normal heating degree days
- $ADD$  = billing cycle actual heating degree days
- $BL_i$  = base load sales for the  $i^{th}$  schedule or Classification divided by the average bill count in that class

The Weather Normalization Adjustment for the  $j^{th}$  customer in  $i^{th}$  rate schedule is computed as:

$$WNA_{ji} = WNAF_i \times q_{ji}$$

Where  $q_{ji}$  is the relevant sales quantity for the  $j^{th}$  Customer in  $i^{th}$  rate schedule

## **RIDER RRM – RATE REVIEW MECHANISM**

### Purpose:

This mechanism is designed to provide annual earnings transparency. All rate calculations under this tariff shall be made on a system wide basis. If, through the implementation of the provisions of this mechanism, it is determined that rates should be decreased or increased, then rates will be adjusted accordingly in the manner set forth herein. The rate adjustments implemented under this mechanism will reflect annual changes in the Company's cost of service and rate base. This adjustment will be authorized for an Initial Implementation Period. With the conclusion of the final rate adjustment, if any, for the Initial Implementation Period, each entity having original jurisdiction may revoke, amend, or approve Subsequent Implementation Period(s) for, the mechanism.

### Definitions

- a) The **Annual Evaluation Date** shall be the date the Company will make its annual filing under this mechanism. The Annual Evaluation Date shall be no later than April 1, of each year. This filing shall be effective in electronic form where practicable. The initial filing shall be made no later than June 15, 2009.
- b) **Audited Financial Data** shall mean the Company's books and records related to the Company's West Texas operating area and shared services operations. Audited Financial Data shall not require the schedules and information provided under this tariff to undergo a separate financial audit by an outside auditing firm similar to the Company's annual financial audit.
- c) The **Evaluation Period** is defined as the twelve month period ending December 31, of each calendar year. The initial Evaluation Period shall be calendar year 2008.
- d) The **Rate Effective Period** is defined as the earlier of the twelve month period for which rates determined under this mechanism will be in effect or subsequent rates are implemented.
- e) **Per Connection Basis** is defined as the existing average number of Amarillo Rate Division active meters to customers during the Evaluation Period.
- f) **Initial Implementation Period** is defined as the three (3) year period commencing with the Company's filing under this mechanism for the calendar year 2008, effective October 1, 2009, and shall conclude with the implementation of rate adjustments, if any, for the third Rate Effective Period.
- g) **Subsequent Implementation Period** is defined as any three (3) year period after the conclusion of the Initial Implementation Period.
- h) **Final Order** is defined as the most recent order that is applicable to rates charged in the corporate limits of Amarillo establishing the Company's latest effective rates for the area in which the mechanism is implemented, and shall include municipal rate ordinances and resolutions. For issues not addressed in the most recent ordinance establishing rates charged in the corporate limits of Amarillo, the term Final Order shall mean the Railroad Commission of Texas Gas Utilities Docket Number 9762 and subsequent orders issued by the Railroad Commission of Texas which would apply to Atmos.

EFFECTIVE: Bills rendered on and after October 1, 2009 Inside City Limits

ISSUED BY: C.W. Guy, Vice President - Rates & Regulatory Affairs

Rate Review Mechanism

The Company shall file with each regulatory authority having original jurisdiction over the Company's rates the schedules specified below for the Evaluation Period, with the filing to be made by the Annual Evaluation Date following the end of the Evaluation Period. The schedules, which will be based upon the Company's Audited Financial Data, as adjusted, and will include the following:

- a) Company's 13 month average actual gross plant in service, accumulated depreciation, accumulated deferred income taxes, inventory, working capital, and other rate base components, excluding construction work in progress and/or plant not classified to plant in service, for the Evaluation Period. A 13 month average will be used for these items for the true up calculation; Evaluation Period ending balances for these items will be used for the calculation of rates for the Rate Effective Period. The ratemaking treatments, principles, findings and adjustments included in the Final Order will apply where they are not in conflict or specifically addressed elsewhere in this tariff or the letter agreement. The 4 part allocation methodology as approved for the Mid-Tex Operating Division in GUD 9670 will be used in place of the current 3 part methodology used by the West Texas Operating Division. Regulatory adjustments due to prior regulatory rate base adjustment disallowances will be maintained. The RRM Schedules & Information section of this tariff identifies those ADIT components to be included in the calculation of rate base for both the Evaluation Period and Rate Effective Period calculations.
- b) The Company's depreciation expense, operating and maintenance expense, and taxes other than income taxes booked in the period will be used for the true-up calculation purposes. Depreciation rates booked in the period will be those approved in the Final Order, or the rate most recently approved. All calculation methodologies will be those approved in the Final Order except where noted or included in this tariff, or in the most recent order addressing the methodology. In addition, the Company shall exclude from operating and maintenance expense the discretionary costs to be disallowed from Rider RRM filings listed in the RRM Schedules and Information section of this tariff.
- c) The Return on Equity (ROE) upper band shall be an authorized ROE of 9.6 percent plus 25 basis points (e.g., authorized ROE of 9.6% plus 25 basis points equals an upper band of 9.85%).
- d) The Return on Equity (ROE) lower band shall be an authorized ROE of 9.6 percent minus 25 basis points (i.e., authorized ROE of 9.6% minus 25 basis points equals a lower band of 9.35%).
- e) Cost of debt will reflect actual cost for the Evaluation Period. A 13 month average cost of debt and capital structure will be used for the true up calculation; Evaluation Period ending balances for cost of debt and capital structure will be used for the calculation of rates for the Rate Effective Period. Capital structure will be the actual Evaluation Period ratio of long-term debt and equity, with percentage equity not to exceed 48.1% equity, based on the calculation methodology outcomes used above.
- f) All applicable accounting adjustments along with all supporting work papers. Such adjustments may include:
  - 1) Pro-forma adjustments to update and annualize costs and revenue billing determinants for the Rate Effective Period.

**EFFECTIVE:** Bills rendered on and after October 1, 2009 Inside City Limits

**ISSUED BY:** C.W. Guy, Vice President - Rates & Regulatory Affairs

- 2) Pro-forma or other adjustments required to properly account for atypical, unusual, or nonrecurring events recorded during the Evaluation Period.
- f) Shared Services allocation factors shall be recalculated each year based on the latest component factors used during the Evaluation Period, as referenced in (a) above.

Calculation of Rate Adjustment

- a) The Company shall provide additional schedules indicating the following revenue deficiency/sufficiency calculations using the methodology accepted in the Final Order, a 13 month average will be used for the specified items for the true up calculation, Evaluation Period ending balances will be used for the calculation of rates for the Rate Effective Period. These schedules shall identify the rate adjustments necessary for both a true-up of revenue for the Evaluation Period and the setting of prospective rates for the Rate Effective Period. The net result of these rate adjustments shall be reflected in the proposed new rates to be established for the Rate Effective Period. In calculating the required rate adjustments, such adjustments will be made pro-ratably to the customer charge and usage charge based upon actual revenue generated, as adjusted under the Company's approved Weather Normalization Adjustment (WNA) Rider. Provided, however, that neither the Residential nor the Commercial customer charges may increase more than \$1.00 in any given year.
- b) If the calculated historical ROE exceeds the ROE upper band (i.e. 9.85%), 80 percent of any earnings that exceed the calculated upper band ROE plus 100% of the 25 basis point upper band will be translated into an equivalent pretax revenue value and credited to customers and shown as a credit on the monthly bill. The applicability and derivation of such credit will be performed as follows:
  - (i) The credit will be made pro-ratably to the customer charge and usage charge based upon actual revenue generated, as adjusted under the Company's approved Weather Normalization Adjustment (WNA) Rider.
  - (ii) The credit shall be applicable if the historical achieved ROE exceeds the upper band. The amount credited to customers will be 80% of the incremental earnings revenue equivalent to pretax value above the upper band plus 100% of the earnings revenue equivalent pretax value of the 25 basis point band.
  - (iii) The credit will be calculated annually and allocated among all rate classes using the most current rate increase or decrease allocation methodology as approved by the City of Amarillo.
  - (iv) Any difference between actual and intended credits shall be recognized in determining the subsequent period credits or surcharges. If the initial filing requires a credit, it shall be returned between October 1, 2009 and July 31, 2010 in order to eliminate overlapping true-up periods.

EFFECTIVE: Bills rendered on and after October 1, 2009 Inside City Limits

ISSUED BY: C.W. Guy, Vice President - Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
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- c) If the calculated historical ROE is less than the lower band (i.e. 9.35%), 80 percent of any earnings that fall short of the lower band ROE plus 100% of the 25 basis point band will be translated into an equivalent pretax revenue value and charged to customers and shown as a surcharge on the monthly bill. The applicability and derivation of such surcharge will be performed as follows:
- (i) The surcharge will be made pro-ratably to the customer charge and usage charge based upon actual revenue generated, as adjusted under the Company's approved Weather Normalization Adjustment (WNA) Rider.
  - (ii) The surcharge shall be applicable if the historical achieved ROE falls short of the lower band. The amount charged to customers will be 80% of the incremental earnings revenue equivalent pretax value below the lower band of the ROE plus 100% of the earnings revenue equivalent pretax value of the 25 basis point band.
  - (iii) The surcharge will be calculated annually and allocated among all rate classes using the most current rate increase or decrease allocation methodology as approved by the City of Amarillo.
  - (iv) The surcharge will be limited, as necessary, to conform with the Operations and Maintenance Expense percentage limitation set forth below.
  - (v) Any difference between actual and intended surcharge amounts shall be recognized in determining the subsequent period credits or surcharges. If the initial filing requires a surcharge, it shall be collected between October 1, 2009 and July 31, 2010 in order to eliminate overlapping true-up periods.
- d) If the calculated historical achieved ROE is greater than the lower band and less than the upper band, there will be no charge or credit added to customers' monthly bills for that plan year.
- e) The Company may also adjust rates for the Rate Effective Period to include recovery of any known and measurable changes to eligible operating and maintenance costs including, but not limited to, all eligible payroll and compensation expense, all benefit expense, all pension expense, insurance costs, materials and supplies, bad debt costs, all medical expense, transportation and building and lease costs for the Rate Effective period. Provided, however, that adjustments may only be made for costs that are reasonable and necessary. Additionally, utility plant and rate base for the Rate Effective period will be established by using the Evaluation Period ending balances, including associated changes in depreciation and amortization expense and taxes. In calculating the Company's known and measurable changes for prospective RRM adjustment purposes, the following limitations will apply, on a Per Connection Basis.

1. Eligible Operating and Maintenance expenses per connection for the Rate Effective Period cannot increase more than the Texas Consumer Price Index ("CPI") per year without specific identification and justification. Any proposed adjustment above the

Texas CPI per year, is subject to the provisions of the Evaluation Procedures of this tariff. Such procedures provide that the regulatory authority will review the proposed adjustment and that the Company and regulatory authority will work collaboratively to seek agreement on the proposed adjustments to the Company's schedules and proposed rates. Justification for such expenditures over the cap shall include an event or combination of events beyond the control of the Company. The beginning adjusted Operation and Maintenance expense per connection for the 2009 RRM Rate Effective Period will be limited to not exceed the final eligible O&M expenses as established for the 12-month period ended December 31, 2008 divided by the connections for the period. The increase in adjusted eligible Operation and Maintenance Expense per connection for 2010 Rate Effective Period and subsequent Rate Effective periods cannot exceed the Texas CPI per year, without specific identification and justification. In each filing submitted to Amarillo under the Rider RRM – Rate Review Mechanism, the Company shall expressly identify those expenses, separately and in the aggregate, that are in the group of expenses noted as Discretionary Costs to be Disallowed from Rider RRM Filings.”

2. Net plant investment per connection for the Rate Effective period cannot increase more than 10% per year without specific identification and justification. Any proposed adjustment above 10% per year, is subject to the provisions of the Evaluation Procedures of this tariff. Such procedures provide that the regulatory authority will review the proposed adjustment and that the Company and regulatory authority will work collaboratively to seek agreement on the proposed adjustments to the Company's schedules and proposed rates. However, in performing a cap test to verify compliance, Company shall exclude any changes in net plant investment associated with federal, state, or local mandates related to safety, compliance, or road moves. The 2009 true-up calculation shall be made using the 13-month average net plant investment established for the period ended December 31, 2008. The initial 2009 prospective rate will be set using net plant established for the 12 months ended December 31, 2008.

The rate increase limitations set forth in this tariff shall not preclude the Company from recovering any excluded net plant costs during a subsequent Evaluation Period in which the 10% limitation for net plant investment is not reached or in a subsequent State of Intent case. To the extent that the Company seeks to recover any excluded net plant costs during a subsequent Evaluation Period in which the 10% limitation for net plant investment is not reached or in a subsequent Statement of Intent case, the Company shall identify these costs as a specific line item in the schedule accompanying the RRM rate adjustment filing.

The regulatory authority may disallow any net plant investment that is not shown to be prudently incurred. Approval by the regulatory authority of net plant investment pursuant to the provisions of this tariff shall constitute a finding that such net plant investment was prudently incurred. Such finding of prudence shall not be subject to further review in a subsequent Evaluation period or Statement of Intent filing. Provided, however, that in no event shall construction work in progress, and/or plant not classified to plant in service as of the end of the Evaluation Period, be taken into account in determining the Company's rates under the Rider RRM.

**ATMOS ENERGY CORPORATION**  
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f) The Company also shall provide a schedule demonstrating the “proof of revenues” relied upon to calculate the proposed rate for the Rate Effective Period. The proposed rates shall conform as closely as is practicable to the revenue allocation principles approved in the Final Order.

Attestation

A sworn statement shall be filed by the Company’s Chief Officer in Charge of West Texas Operations affirming that the filed schedules and other data accompanying its filing are in compliance with the provisions of this mechanism and are true and correct to the best of his/her knowledge, information and belief. No testimony shall be filed.

Evaluation Procedures

The regulatory authority having original jurisdiction over the Company’s rates shall have no less than ninety (90) days to review the Company’s filed schedules and work papers. The Company will be prepared to provide all supplemental information as may be requested to ensure adequate review by the relevant regulatory authority. The Company shall not unilaterally impose any limits upon the provision of supplemental information and such information shall be provided within ten (10) working days of the original request. The regulatory authority may propose any adjustments it determines to be required to bring the schedules into compliance with the above provisions.

During and following the ninety (90) day review period and a thirty (30) day response period, the Company and the regulatory authority will work collaboratively and seek agreement on, the proposed adjustments to the Company’s schedule and proposed rates. If agreement has been reached by the Company and the regulatory authority, the regulatory authority shall authorize an increase or decrease to the Company’s rates so as to achieve the revenue levels indicated for the Rate Effective Period. If, at the end of the thirty (30) day response period, the Company and the regulatory authority have not reached agreement on the proposed adjustments, the Company shall have the right to appeal the regulatory authority’s action or inaction to the Railroad Commission of Texas.

If approved by the entity exercising original jurisdiction, the rates established pursuant to the Rate Review Mechanism for the first Rate Effective Period shall be effective for bills rendered on or after October 1, 2009. Thereafter, rates established pursuant to the Rate Review Mechanism for subsequent Rate Effective Periods, if approved as provided herein, shall be effective on August 1 of each year.

Reconsideration and Appeal

Orders issued pursuant to this mechanism are ratemaking orders and shall be subject to appeal under Sections 102.001(b) and 103.021, et seq., of the Texas Utilities Code (Vernon 2007).

Notice

Notice of the annual Rate Review Mechanism filing shall be provided pursuant to Section 104.103, TEX. UTIL. CODE ANN. no later than forty-five (45) days after the Company makes its annual filing pursuant to this tariff. The notice to customers shall include the following information:

EFFECTIVE: Bills rendered on and after October 1, 2009 Inside City Limits

ISSUED BY: C.W. Guy, Vice President - Rates & Regulatory Affairs

- a) a description of the proposed revision of rates and schedules;
- b) the effect the proposed revision of rates is expected to have on the rates applicable to each customer class and on an average bill for each affected customer;
- c) the service area or areas in which the proposed rate adjustment would apply;
- d) the date the proposed rate adjustment was filed with the regulatory authority; and
- e) the Company's address, telephone number and website where information concerning the proposed rate adjustment may be obtained.

**RRM Schedules and Information**

**Accumulated Deferred Income Tax ("ADIT") Items To Be Recognized in Rate Base**

The following list identifies those ADIT components to be included in the calculation of rate base for both the Evaluation Period and Rate Effective Period calculations:

**AMA Rate Division:**Gas Plant in Service  
Insurance Accruals  
Benefit Accruals  
Deferred Expense Projects  
Allowance for Doubtful Accounts  
Customer Advances  
Regulatory Asset - Amarillo  
Regulatory Liability - Amarillo  
Other Plant

**EFFECTIVE:** Bills rendered on and after October 1, 2009 Inside City Limits

**ISSUED BY:** C.W. Guy, Vice President - Rates & Regulatory Affairs

Accumulated Deferred Income Tax (“ADIT) Items To Be Recognized in Rate Base (continued):

**SSU - Customer Support:**

Gas Plant in Service

**SSU - General Office:**

Gas Plant in Service

Insurance Accruals

Benefits Accruals

Deferred Expense Projects

Prepaid Expenses

Regulatory Liability - Atmos 109

FAS 115 Adjustment

Treasury Lock Adjustment

State Bonus Depreciation

R & D Credit Valuation Allowance

Other Plant

Discretionary Costs to Be Disallowed from Rider RRM filings

The following types of employee reimbursed expenses and directly incurred costs are to be removed from all expense and rate base amounts included within Rider RRM filings for the Evaluation Period and for the Rate Effective Period:

Amounts incurred for travel, meals or entertainment of employee spouses.

Amounts for air travel that exceed published commercial coach air fares.

Amounts incurred for hotel rooms exceeding \$250 per night inclusive of taxes and fees assessed on such rooms.

Amounts for alcoholic beverages.

Amounts paid for admission to entertainment, sports, art or cultural events, and all event sponsorship costs.

Amounts for social club dues or fees.

EFFECTIVE: Bills rendered on and after October 1, 2009 Inside City Limits

ISSUED BY: C.W. Guy, Vice President - Rates & Regulatory Affairs

**ENERGY EFFICIENCY PROGRAM**

To promote energy efficiency related activities, in each RRM Plan year, Atmos Energy Corporation (“Company”), commits to annual funding of energy efficiency expenditures of ½% of prior calendar year margin revenues (less any revenue related taxes) or \$100,000 whichever is greater.

- a. 100% of this amount will be provided directly to the City of Amarillo for weatherization services by October 1, 2009 and August 1<sup>st</sup> each year thereafter through August 1, 2011.
- b. 25% of the expenditures made by Atmos under part (a) will be considered in determining the Company’s annual earnings for RRM rate adjustment purposes.
- c. For purposes of this agreement, “prior calendar year margin revenues” shall mean and include total revenues less gas cost.

EFFECTIVE: Bills rendered on and after October 15, 2009 Inside City Limits

ISSUED BY: C.W. Guy, Vice President - Rates & Regulatory Affairs

Residential Gas Service

Availability

This schedule is applicable to general use by Residential customers for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Customer Charge:	\$ 7.50
Commodity Charge	
All Consumption	\$0.27514 per Ccf
.	

Rate Adjustment Provision

The West Texas System Gas Cost Adjustment Rider applies to this schedule.

The West Texas System Weather Normalization Adjustment Rider applies to this schedule.

The West Texas Cities Rate Review Mechanism (RRM) Adjustment Rider applies to this schedule.

The West Texas Cities Conservation Adjustment Rider applies to this schedule.

EFFECTIVE: Bills rendered on and after August 15, 2010 Inside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**West Texas Distribution System – OCL**

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Residential Gas Service

Availability

This schedule is applicable to general use by Residential customers for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Customer Charge:	\$ 8.50
2004 GRIP Charge:	\$ 1.09
2005 GRIP Charge:	\$ 0.00
2006 GRIP Charge:	\$ 0.49
2007 GRIP Charge:	\$ 0.58
2008 GRIP Charge:	\$ 1.00
2009 GRIP Charge:	<u>\$ 1.18</u>
Total Customer Charge:	\$12.84

Commodity Charge:

All Consumption \$ 0.11035 per Ccf

Rate Adjustment Provision

The West Texas System Gas Cost Adjustment Rider applies to this schedule except for service inside City limits of Odessa.

The West Texas System Weather Normalization Adjustment applies to this schedule.

The West Texas Rate Division 2004, 2005, 2006, 2007, 2008 and 2009 GRIP Adjustments apply to this schedule.

Commercial Gas Service

Availability

This schedule is applicable to Commercial type customers, including hospitals and churches, for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Customer Charge:	\$ 14.50
Commodity Charge:	
All Consumption	\$ 0.18484 per Ccf

The West Texas System Gas Cost Adjustment Rider applies to this schedule.

The West Texas System Weather Normalization Adjustment Rider applies to this schedule.

The West Texas Cities Rate Review Mechanism (RRM) Adjustment Rider applies to this schedule.

The West Texas Cities Conservation Adjustment Rider applies to this schedule.

EFFECTIVE: Bills rendered on and after August 15, 2010 Inside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**West Texas Distribution System – OCL**

Commercial Gas Service

Availability

This schedule is applicable to Commercial type customers, including hospitals and churches, for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Customer Charge:	\$ 14.00
2004 GRIP Charge:	\$ 3.09
2005 GRIP Charge	\$ 0.00
2006 GRIP Charge	\$ 1.43
2007 GRIP Charge	\$ 1.67
2008 GRIP Charge	\$ 2.93
2009 GRIP Charge	<u>\$ 3.46</u>
Total Customer Charge:	\$ 26.58

Commodity Charge:

All Consumption \$ 0.0970 per Ccf

Rate Adjustment Provision

The West Texas System Gas Cost Adjustment Rider applies to this schedule.

The West Texas System Weather Normalization Adjustment Rider applies to this schedule.

The West Texas Rate Division 2004, 2005, 2006, 2007, 2008 and 2009 GRIP Adjustments apply to this schedule.

EFFECTIVE: Bills rendered on and after June 9, 2010 Outside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**West Texas Distribution System – ICL**

Public Authority Gas Service

Availability

This schedule is applicable to general use by Public Authority type customers, including public schools, for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Customer Charge:	\$ 55.00
Commodity Charge:	
All Consumption	\$ 0.12786 per Ccf

The West Texas System Gas Cost Adjustment Rider applies to this schedule.

The West Texas System Weather Normalization Adjustment Rider applies to this schedule.

The West Texas Cities Rate Review Mechanism (RRM) Adjustment Rider applies to this schedule.

The West Texas Cities Conservation Program Adjustment Rider applies to this schedule.

EFFECTIVE: Bills rendered on and after August 15, 2010, Inside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**West Texas Distribution System – OCL**

Public Authority Gas Service

Availability

This schedule is applicable to general use by Public Authority type customers, including public schools, for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Customer Charge:	\$ 42.00
2004 GRIP Charge:	\$ 7.67
2005 GRIP Charge	\$ 0.00
2006 GRIP Charge	\$ 3.52
2007 GRIP Charge	\$ 3.92
2008 GRIP Charge	\$ 7.87
2009 GRIP Charge	<u>\$ 8.54</u>
Total Customer Charge:	\$ 73.52

Commodity Charge:

All Consumption \$ 0.08300 per Ccf

Rate Adjustment Provision

The West Texas System Gas Cost Adjustment Rider applies to this schedule except for service inside City limits of Odessa.

The West Texas System Weather Normalization Adjustment Rider applies to this schedule.

The West Texas Rate Division 2004, 2005, 2006, 2007, 2008 and 2009 GRIP Adjustments apply to this schedule.

EFFECTIVE: Bills rendered on and after June 9, 2010 Outside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

State Institution Gas Service

Availability

This schedule is applicable to gas service to state agencies (as provided in Texas Utilities Code, Section 104.201) including, but not limited to, state college and universities, MHMR schools, agriculture, highway and public safety departments, prisons, and other facilities owned or operated by the State of Texas for the purpose of heating, cooking, refrigeration, water heating and other similar type uses.

Monthly Rate

Customer Charge:	\$ 61.50
Commodity Charge:	
All Consumption	\$ 0.13806 per Ccf

The West Texas System Gas Cost Adjustment Rider applies to this schedule.

The West Texas System Weather Normalization Adjustment Rider applies to this schedule.

The West Texas Cities Rate Review Mechanism (RRM) Adjustment Rider applies to this schedule.

The West Texas System Conservation Adjustment Rider applies to this schedule.

EFFECTIVE: Bills rendered on and after August 15, 2010 Inside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**West Texas Distribution System – OCL**

State Institution Gas Service

Availability

This schedule is applicable to gas service to state agencies (as provided in Texas Utilities Code, Section 104.202) including, but not limited to, state college and universities, MHMR schools, agriculture, highway and public safety departments, prisons, and other facilities owned or operated by the State of Texas for the purpose of heating, cooking, refrigeration, water heating and other similar type uses.

Monthly Rate

Customer Charge:	\$ 40.74
2004 GRIP Charge:	\$ 11.91
2005 GRIP Charge	\$ 0.00
2006 GRIP Charge	\$ 7.07
2007 GRIP Charge	\$ 6.44
2008 GRIP Charge	\$ 11.72
2009 GRIP Charge	<u>\$ 13.15</u>
Total Customer Charge:	\$ 91.03

Commodity Charge:

All Consumption	\$ 0.08051 per Ccf
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Rate Adjustment Provision

The West Texas System Gas Cost Adjustment Rider applies to this schedule except for service inside City limits of Odessa.

The West Texas System Weather Normalization Adjustment Rider applies to this schedule.

The West Texas Rate Division 2004, 2005, 2006, 2007, 2008 and 2009 GRIP Adjustments apply to this schedule.

EFFECTIVE: Bills rendered on and after June 9, 2010 Outside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

Industrial Gas Service

Availability

This schedule is applicable to the sales to any industrial or commercial customer whose predominant use of natural gas is other than space heating, cooking, water heating or other similar type uses. Service under this schedule is available to eligible customers following execution of a contract specifying the maximum hourly load. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Customer Charge:	\$ 110.00
Commodity Charge:	
First 1,000 ccf	\$ 0.12859 per Ccf
All over 1,000 Ccf	\$ 0.10277 per Ccf

The West Texas System Gas Cost Adjustment Rider applies to this schedule.

The West Texas Cities Rate Review Mechanism (RRM) Adjustment Rider applies to this schedule.

The West Texas System Conservation Adjustment Rider applies to this schedule.

EFFECTIVE: Bills rendered on and after August 15, 2010 Inside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**West Texas Distribution System – OCL**

Industrial Gas Service

Availability

This schedule is applicable to the sales to any industrial or commercial customer whose predominant use of natural gas is other than space heating, cooking, water heating or other similar type uses. Service under this schedule is available to eligible customers following execution of a contract specifying the maximum hourly load. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Customer Charge:	\$ 55.00
2004 GRIP Charge:	\$ 30.17
2005 GRIP Charge	\$ 0.00
2006 GRIP Charge	\$ 21.44
2007 GRIP Charge	\$ 21.99
2008 GRIP Charge	\$ 46.06
2009 GRIP Charge	<u>\$ 54.89</u>
Total Customer Charge:	\$ 229.55

Commodity Charge:

0-1000 Ccf	\$ 0.09650
All over 1000 Ccf	\$ 0.07500

Rate Adjustment Provision

The West Texas System Gas Cost Adjustment Rider applies to this schedule except for service inside City limits of Odessa.

The West Texas Rate Division 2004, 2005, 2006, 2007, 2008 and 2009 GRIP Adjustments apply to this schedule.

EFFECTIVE: Bills rendered on and after June 9, 2010 Outside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

West Texas Gas Cost Adjustment Rider

Application

Gas bills issued under rate schedules to which this Rider applies will include adjustments to reflect decreases or increases in purchased gas costs or taxes. Purchased gas costs includes any prudently incurred transaction related fees, gains or losses and other transaction costs associated with the use of various financial instruments that are executed by the Company for the purpose of price volatility mitigation. Accumulated Deferred Gas Costs shall also be adjusted for gas cost amounts which are uncollectible. Any such adjustments shall be filed with the City's Secretary before the beginning of the month in which the adjustment will be applied to bills. The amount of each adjustment shall be computed as follows:

Gas Cost Adjustment (GCA)

The GCA to be applied to each Ccf billed shall be computed as follows and rounded to the nearest \$0.01:

$$GCA = ( G/S + CF) \times TF$$

Where:

1. "G", in dollars, is the expected cost of gas for the expected sales billing units.
2. "S", in Ccf as measured at local atmospheric pressure, is the expected sales billing units to be billed to customers in the respective section of the Company's Amarillo and West Texas Service Area.
3. "CF", in \$/Ccf as measured at local atmospheric pressure, is the correction factor charge per Ccf to adjust for the cumulative monthly difference between the cost of gas purchased by the Company and the amount of gas cost billed to the customer plus any gas cost which is uncollectible.

More specifically, CF shall be calculated as follows:

$$CF = (a/b) + (c/b)$$

a = over (under) collection dollar amount for the 12 month period ending September.

b = expected estimated sales volumes for the future 12 month period ending

November.

c = net uncollectible gas cost, that is:

(uncollectible gas cost for the previous 12 months ended September) – (subsequently collected gas cost for the previous 12 months ended September)

Once a year on a 12 months ended September basis, the Company shall review the percentage of lost and unaccounted for gas. If this percentage exceeds 5% of the amount metered in, the correcting account balance will be reduced so that the customer will effectively be charged a maximum of 5% for lost and unaccounted for gas and the Company will absorb the excess.

4. "TF" is a tax factor of 1.0526.

CONSERVATION AND ENERGY EFFICIENCY RIDER

To promote energy efficiency related activities in each RRM Plan year, Atmos Energy Corporation (“Company”), commits to annual funding of energy efficiency expenditures of ½% of prior calendar year margin revenues (less any revenue related taxes).

- a. 100% of this amount will be provided for weatherization services by November 20, 2008 and August 1<sup>st</sup> each year thereafter through August 1, 2010.
- b. 50% of the expenditures made by Atmos under part (a) will be considered in determining the Company’s annual earnings for RRM rate adjustment purposes.

EFFECTIVE: Bills rendered on and after November 20, 2008 Inside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

West Texas Gas Cost Adjustment Rider

Application

Gas bills issued under rate schedules to which this Rider applies will include adjustments to reflect decreases or increases in purchased gas costs or taxes. Any such adjustments shall be filed with the appropriate regulatory authority before the beginning of the month in which the adjustment will be applied to bills. The amount of each adjustment shall be computed as follows:

Gas Cost Adjustment (GCA)

The GCA to be applied to each Ccf billed shall be computed as follows and rounded to the nearest \$0.01:

$$GCA = ( G/S + CF ) \times TF$$

Where:

1. “G”, in dollars, is the expected cost of gas for the expected sales billing units.
2. “S”, in Ccf at 13.6 psia, is the expected sales billing units to be billed to the customers outside the City’s limits of the Company’s West Texas Service area.
3. “CF”, in \$/Ccf at 13.6 psia, is a correction factor charge per Ccf to adjust for the cumulative monthly differences between the cost of gas purchased by the Company and the amount of gas cost billed the customer.

Once a year, on 12 months ended September basis, the Company shall review the percentage of lost and unaccounted for gas. If this percentage exceeds 5% of the amount metered in, the correcting account balance will be reduced so that the customer will effectively be charged a maximum of 5% for lost and unaccounted for gas and the Company will absorb the excess.

4. “TF” is a tax factor of 1.0000.

EFFECTIVE: Bills rendered on and after November 1, 2005 Outside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

## **RIDER RRM – RATE REVIEW MECHANISM**

### Purpose:

This mechanism is designed to provide annual earnings transparency. All rate calculations under this tariff shall be made on a system wide basis. If, through the implementation of the provisions of this mechanism, it is determined that rates should be decreased or increased, then rates will be adjusted accordingly in the manner set forth herein. The rate adjustments implemented under this mechanism will reflect annual changes in the Company's cost of service and rate base. This adjustment will be authorized for an Initial Implementation Period. With the conclusion of the final rate adjustment, if any, for the Initial Implementation Period, each entity having original jurisdiction may revoke, amend, or approve Subsequent Implementation Period(s) for, the mechanism.

### Definitions

- a) The **Annual Evaluation Date** shall be the date the Company will make its annual filing under this mechanism. The Annual Evaluation Date shall be no later than April 1, of each year. This filing shall be effective in electronic form where practicable. The initial filing shall be made no later than September 1, 2008.
- b) **Audited Financial Data** shall mean the Company's books and records related to the Company's West Texas operating area and shared services operations. Audited Financial Data shall not require the schedules and information provided under this tariff to undergo a separate financial audit by an outside auditing firm similar to the Company's annual financial audit.
- c) The **Evaluation Period** is defined as the twelve month period ending December 31, of each calendar year. The initial Evaluation Period shall be calendar year 2007.
- d) The **Rate Effective Period** is defined as the earlier of the twelve month period for which rates determined under this mechanism will be in effect or subsequent rates are implemented.
- e) **Per Connection Basis** is defined as the existing average number of West Texas Rate Division active meters to customers during the Evaluation Period.
- f) **Initial Implementation Period** is defined as the four (4) year period commencing with the Company's filing under this mechanism for the calendar year 2007, effective November 15, 2008, and shall conclude with the implementation of rate adjustments, if any, for the fourth Rate Effective Period.
- g) **Subsequent Implementation Period** is defined as any three (3) year period after the conclusion of the Initial Implementation Period.
- h) **Final Order** is defined as the most recent order establishing the Company's latest effective rates for the area in which the mechanism is implemented, and shall include municipal rate ordinances and resolutions.

EFFECTIVE: Bills rendered on and after August 15, 2010 Inside City Limits

ISSUED BY: C.W. Guy, Vice President - Rates & Regulatory Affairs

Rate Review Mechanism

The Company shall file with each regulatory authority having original jurisdiction over the Company's rates the schedules specified below for the Evaluation Period, with the filing to be made by the Annual Evaluation Date following the end of the Evaluation Period. The schedules, which will be based upon the Company's Audited Financial Data, as adjusted, and will include the following:

- a) Company's actual gross plant in service, accumulated depreciation, accumulated deferred income taxes, inventory, working capital, and other rate base components for the Evaluation Period. Evaluation Period ending balances for these items will be used for the calculation of rates for the Rate Effective Period. The ratemaking treatments, principles, findings and adjustments included in the Final Order will apply where they are not in conflict or specifically addressed elsewhere in this tariff or the letter agreement. The 4 part allocation methodology as approved for the Mid-Tex Operating Division in GUD 9670 will be used in place of the current 3 part methodology used by the West Texas Operating Division. Regulatory adjustments due to prior regulatory rate base adjustment disallowances will be maintained. The RRM Schedules & Information section of this tariff identifies those ADIT components to be included in the calculation of rate base for the Rate Effective Period calculations.
- b) The Company's depreciation expense, operating and maintenance expense, and taxes other than income taxes booked in the period will be used for calculation purposes. Depreciation rates booked in the period will be those approved in the Final Order, or the rate most recently approved. All calculation methodologies will be those approved in the Final Order except where noted or included in this tariff, or in the most recent order addressing the methodology. In addition, the Company shall exclude from operating and maintenance expense the discretionary costs to be disallowed from Rider RRM filings listed in the RRM Schedules and Information section of this tariff.
- c) Return on Equity (ROE) shall be maintained at 9.6%.
- d) Cost of debt will reflect actual cost for the Evaluation Period. Evaluation Period ending balances for cost of debt and capital structure will be used for the calculation of rates for the Rate Effective Period. Capital structure will be the actual Evaluation Period ratio of long-term debt and equity, with percentage equity not to exceed 48.1% equity, based on the calculation methodology outcomes used above.
- e) All applicable accounting adjustments along with all supporting work papers. Such adjustments may include:
  - 1) Pro-forma adjustments to update and annualize costs and revenue billing determinants for the Rate Effective Period.

EFFECTIVE: Bills rendered on and after August 15, 2010 Inside City Limits

ISSUED BY: C.W. Guy, Vice President - Rates & Regulatory Affairs

- 2) Pro-forma or other adjustments required to properly account for atypical, unusual, or nonrecurring events recorded during the Evaluation Period.
- f) Shared Services allocation factors shall be recalculated each year based on the latest component factors used during the Evaluation Period, as referenced in (a) above.

Calculation of Rate Adjustment

- a) The Company shall provide additional schedules indicating the following revenue deficiency/sufficiency calculations using the methodology accepted in the Final Order. Evaluation Period ending balances will be used for the calculation of rates for the Rate Effective Period. These schedules shall identify the rate adjustments necessary for the setting of prospective rates for the Rate Effective Period. The net result of these rate adjustments shall be reflected in the proposed new rates to be established for the Rate Effective Period. In calculating the required rate adjustments, such adjustments will be made pro-ratably to the customer charge and usage charge based upon actual revenue generated, as adjusted under the Company's approved Weather Normalization Adjustment (WNA) Rider. Provided, however, that neither the Residential nor the Commercial customer charges may increase more than 20% per year.
- b) The Company may also adjust rates for the Rate Effective Period to include recovery of any known and measurable changes to operating and maintenance costs including, but not limited to, all payroll and compensation expense, all benefit expense, all pension expense, insurance costs, materials and supplies, bad debt costs, all medical expense, transportation and building and lease costs for the Rate Effective Period. Provided, however, that adjustments may only be made for costs that are reasonable and necessary. Additionally, utility plant and rate base for the Rate Effective Period will be established by using the Evaluation Period ending balances, including associated changes in depreciation and amortization expense and taxes. In calculating the Company's known and measurable changes for prospective RRM adjustment purposes, the following limitations will apply, on a Per Connection Basis.

EFFECTIVE: Bills rendered on and after August 15, 2010 Inside City Limits

ISSUED BY: C.W. Guy, Vice President - Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**West Texas Distribution System – ICL**

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1. Operating and Maintenance expenses per connection for the Rate Effective Period cannot increase more than 5% per year without specific identification and justification. Any proposed adjustment above 5% per year, is subject to the provisions of the Evaluation Procedures of this tariff. Such procedures provide that the regulatory authority will review the proposed adjustment and that the Company and regulatory authority will work collaboratively to seek agreement on the proposed adjustments to the Company's schedules and proposed rates. Justification for such expenditures over the cap shall include an event or combination of events beyond the control of the Company. The beginning adjusted Operation and Maintenance expense per connection for the 2008 RRM Rate Effective Period will be limited to not exceed the final O&M as established for the 12 month period ended December 31, 2007, divided by the connections for the period. The increase in adjusted Operation and Maintenance expenses per connection for the 2009 Rate Effective Period and subsequent Rate Effective periods cannot exceed 5% per year, without specific identification and justification. The RRM Schedule & Information section of this tariff provides an example calculation of the 5% limit.
2. Net plant investment per connection for the Rate Effective Period cannot increase more than 5% per year without specific identification and justification. Any proposed adjustment above 5% per year, is subject to the provisions of the Evaluation Procedures of this tariff. Such procedures provide that the regulatory authority will review the proposed adjustment and that the Company and regulatory authority will work collaboratively seek agreement on the proposed adjustments to the Company's schedules and proposed rates. However, in performing a cap test to verify compliance, Company shall exclude any changes in net plant investment associated with federal, state, or local mandates related to safety, compliance, or road moves. The initial 2008 prospective rate will be set using net plant established for the 12 months ended December 31, 2007.

The rate increase limitations set forth in this tariff shall not preclude the Company from recovering any excluded net plant costs during a subsequent Evaluation Period in which the 5% limitation for net plant investment is not reached or in a subsequent Statement of Intent case. To the extent that the Company seeks to recover any excluded net plant costs during a subsequent Evaluation Period in which the 5% limitation for net plant investment is not reached or in a subsequent Statement of Intent case, the Company shall identify these costs as a specific line item in the schedule accompanying the RRM rate adjustment filing.

The regulatory authority may disallow any net plant investment that is not shown to be prudently incurred. Approval by the regulatory authority of net plant investment pursuant to the provisions of this tariff shall constitute a finding that such net plant investment was prudently incurred. Such finding of prudence shall not be subject to further review in a subsequent Evaluation Period or Statement of Intent filing.

**ATMOS ENERGY CORPORATION**  
**West Texas Distribution System – ICL**

- c) The Company also shall provide a schedule demonstrating the “proof of revenues” relied upon to calculate the proposed rate for the Rate Effective Period. The proposed rates shall conform as closely as is practicable to the revenue allocation principles approved in the Final Order.

Attestation

A sworn statement shall be filed by the Company’s Chief Officer in Charge of West Texas Operations affirming that the filed schedules are in compliance with the provisions of this mechanism and are true and correct to the best of his/her knowledge, information and belief. No testimony shall be filed.

Evaluation Procedures

The regulatory authority having original jurisdiction over the Company’s rates shall have no less than ninety (90) days to review the Company’s filed schedules and work papers. The Company will be prepared to provide all supplemental information as may be requested to ensure adequate review by the relevant regulatory authority. The Company shall not unilaterally impose any limits upon the provision of supplemental information and such information shall be provided within ten (10) working days of the original request. The regulatory authority may propose any adjustments it determines to be required to bring the schedules into compliance with the above provisions.

During and following the ninety (90) day review period and a thirty (30) day response period, the Company and the regulatory authority will work collaboratively and seek agreement on, the proposed adjustments to the Company’s schedule and proposed rates. If agreement has been reached by the Company and the regulatory authority, the regulatory authority shall authorize an increase or decrease to the Company’s rates so as to achieve the revenue levels indicated for the Rate Effective Period. If, at the end of the thirty (30) day response period, the Company and the regulatory authority have not reached agreement on the proposed adjustments, the Company shall have the right to appeal the regulatory authority’s action or inaction to the Railroad Commission of Texas. Upon the filing of any appeal, the Company shall have the right to implement the proposed RRM rate adjustment, subject to refund.

If approved by the entity exercising original jurisdiction, the rates established pursuant to the Rate Review Mechanism for the first Rate Effective Period shall be effective for bills rendered on or after November 15, 2008. Thereafter, rates established pursuant to the Rate Review Mechanism for subsequent Rate Effective Periods, if approved as provided herein, shall be effective on August 1 of each year.

Reconsideration and Appeal

Orders issued pursuant to this mechanism are ratemaking orders and shall be subject to appeal under Sections 102.001(b) and 103.021, et seq., of the Texas Utilities Code (Vernon 2007).

Notice

Notice of the annual Rate Review Mechanism filing shall be provided pursuant to Section 104.103, TEX. UTIL. CODE ANN. no later than forty-five (45) days after the Company makes its annual filing pursuant to this tariff. The notice to customers shall include the following information:

- a) a description of the proposed revision of rates and schedules;
- b) the effect the proposed revision of rates is expected to have on the rates applicable to each customer class and on an average bill for each affected customer;
- c) the service area or areas in which the proposed rate adjustment would apply;
- d) the date the proposed rate adjustment was filed with the regulatory authority; and
- e) the Company's address, telephone number and website where information concerning the proposed rate adjustment may be obtained.

**RRM Schedules and Information**

**Accumulated Deferred Income Tax ("ADIT") Items To Be Recognized in Rate Base**

The following list identifies those ADIT components to be included in the calculation of rate base for both the Evaluation Period and Rate Effective Period calculations:

**WTX Rate Division:**Gas Plant in Service  
Insurance Accruals  
Benefit Accruals  
Deferred Expense Projects  
Allowance for Doubtful Accounts  
Customer Advances  
Regulatory Asset - West Texas  
Regulatory Liability - West Texas  
Other Plant

**EFFECTIVE:** Bills rendered on and after August 15, 2010 Inside City Limits

**ISSUED BY:** C.W. Guy, Vice President - Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**West Texas Distribution System – ICL**

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Accumulated Deferred Income Tax (“ADIT) Items To Be Recognized in Rate Base (continued):

**SSU - Customer Support:**

Gas Plant in Service

**SSU - General Office:**

Gas Plant in Service

Insurance Accruals

Benefits Accruals

Deferred Expense Projects

Prepaid Expenses

Regulatory Liability - Atmos 109

FAS 115 Adjustment

Treasury Lock Adjustment

State Bonus Depreciation

R & D Credit Valuation Allowance

Other Plant

Discretionary Costs to Be Disallowed from Rider RRM filings

The following types of employee reimbursed expenses and directly incurred costs are to be removed from all expense and rate base amounts included within Rider RRM filings for the Evaluation Period and for the Rate Effective Period:

Amounts incurred for travel, meals or entertainment of employee spouses.

Amounts for air travel that exceed published commercial coach air fares.

Amounts incurred for hotel rooms exceeding \$250 per night inclusive of taxes and fees assessed on such rooms.

Amounts for alcoholic beverages.

Amounts paid for admission to entertainment, sports, art or cultural events, and all event sponsorship costs.

Amounts for social club dues or fees.

**ATMOS ENERGY CORPORATION**  
**West Texas Distribution System – ICL**

Example Calculation C - Operation & Maintenance Expense Cap Test

\*\*All Amounts are Hypothetical, and do not correspond with other example calculations\*\*

Evaluation Period (Calendar Year)	<u>2007</u>	<u>2008</u>	<u>2009</u>
Benchmark O&M per Connection (increased 5% annually)	97.23	102.99	107.19
Gas Service Connections [1]	1,553,000	1,560,000	1,567,000
Maximum O&M Allowed	151,000,000	159,260,400	167,966,730

[1] For illustration purposes only, Gas Service Connections are estimated for 2007 and are assumed to increase 7,000 connections per year. Therefore, 'Maximum O&M Allowed' is estimated for 2008 and 2009. Actual Gas Service Connections for 2007 will be used to calculate the 2007 O&M per Connection. For each subsequent Evaluation Period, the prior period O&M per Connection will be increased by 5%, and then multiplied by the actual Gas Service Connections for the same period to derive the 'Maximum O&M Allowed'.

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Weather Normalization Adjustment (WNA) Rider

Provisions for Adjustment

The base rate per Ccf (100,000 Btu) for gas service set forth in any Rate Schedules utilized in the cities of the West Texas Service Area for determining normalized winter 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 temperature sensitive residential, commercial, and public authority bills based on meters read during the revenue months of October through May.

Computation of Weather Normalization Adjustment

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

$$\text{WNAF}_i = R_i \frac{(\text{HSF}_i - (\text{NDD}-\text{ADD}))}{(\text{BL}_i + (\text{HSF}_i \times \text{ADD}))}$$

Where

- $\text{WNAF}_i$  = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
- $\text{WNAF}_i$  = Weather Normalization Adjustment Factor for the  $i^{\text{th}}$  rate schedule or classification expressed in cents per Ccf
- $R_i$  = base rate of temperature sensitive sales for the  $i^{\text{th}}$  schedule or classification utilized
- $\text{HSF}_i$  = heat sensitive factor for the  $i^{\text{th}}$  schedule or classification divided by the average bill count in that class
- $\text{NDD}$  = billing cycle normal heating degree days
- $\text{ADD}$  = billing cycle actual heating degree days
- $\text{BL}_i$  = base load sales for the  $i^{\text{th}}$  schedule or Classification divided by the average bill count in that class

The Weather Normalization Adjustment for the  $j^{\text{th}}$  customer in  $i^{\text{th}}$  rate schedule is computed as:

$$\text{WNA}_i = \text{WNAF}_i \times \text{q}_{ji}$$

Where  $\text{q}_{ji}$  is the relevant sales quantity for the  $j^{\text{th}}$  Customer in  $i^{\text{th}}$  rate schedule

EFFECTIVE: Bills rendered on and after May 1, 2004 Inside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

Weather Normalization Adjustment (WNA) Rider

Filings with Regulatory Agencies

The Company will file a (a) copy of each computation of the Weather Normalization Adjustment Factor, (b) a schedule showing the effective date of each such Weather Normalization Adjustment, and (c) a schedule showing the factors of values used in calculating such Weather Normalization Adjustment.

EFFECTIVE: Bills rendered on and after May 1, 2004 Inside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

Weather Normalization Adjustment (WNA) Rider

Provisions for Adjustment

The base rate per Ccf (100,000 Btu) for gas service set forth in any Rate Schedules utilized in the cities of the West Texas Service Area or its environs for determining normalized winter 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 temperature sensitive residential, commercial, and public authority bills based on meters read during the revenue months of October through May.

Computation of Weather Normalization Adjustment

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

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

Where

- $WNAF_i$  = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
- $WNAF_i$  = Weather Normalization Adjustment Factor for the  $i^{th}$  rate schedule or classification expressed in cents per Ccf
- $R_i$  = base rate of temperature sensitive sales for the  $i^{th}$  schedule or classification utilized
- $HSF_i$  = heat sensitive factor for the  $i^{th}$  schedule or classification divided by the average bill count in that class
- $NDD$  = billing cycle normal heating degree days
- $ADD$  = billing cycle actual heating degree days
- $BL_i$  = base load sales for the  $i^{th}$  schedule or Classification divided by the average bill count in that class

The Weather Normalization Adjustment for the  $j^{th}$  customer in  $i^{th}$  rate schedule is computed as:

$$WNA_i = WNAF_i \times q_{ji}$$

Where  $q_{ji}$  is the relevant sales quantity for the  $j^{th}$  Customer in  $i^{th}$  rate schedule

Weather Normalization Adjustment (WNA) Rider

Filings with Regulatory Agencies

The Company will file a (a) copy of each computation of the Weather Normalization Adjustment Factor, (b) a schedule showing the effective date of each such Weather Normalization Adjustment, and (c) a schedule showing the factors of values used in calculating such Weather Normalization Adjustment.

Residential Gas Service

Availability

This schedule is applicable to general use by Residential customers for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas.

MONTHLY RATE

Customer Charge:

Prospective	\$ 7.65
True-up	(\$ 0.12)

Commodity Charge – All Consumption:

Prospective	\$ 0.17429 per Ccf
True-up	(\$ 0.00283) per Ccf

The West Texas Division Gas Cost Adjustment Rider applies to this schedule.

The West Texas Division Weather Normalization Adjustment Rider applies to this schedule.

The Lubbock Rate Review Mechanism (RRM) Adjustment Rider applies to this schedule.

The Lubbock Conservation Program Adjustment Rider applies to this schedule.

**ATMOS ENERGY CORPORATION**  
**Lubbock Distribution System - OCL**

Residential Gas Service

Availability

This schedule is applicable to general use by Residential customers for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Customer Charge:	\$ 8.74
2004 GRIP Charge:	\$ 1.21
2005 GRIP Charge:	\$ 0.00
2006 GRIP Charge:	\$ 0.70
2007 GRIP Charge:	\$ 0.52
2008 GRIP Charge:	\$ 0.70
2009 GRIP Charge:	<u>\$ 0.57</u>
Total Customer Charge:	\$12.44

Commodity Charge:

All Consumption	\$ 0.09668 per Ccf
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The West Texas System Gas Cost Adjustment Rider applies to this schedule.

The Lubbock System Weather Normalization Adjustment Rider applies to this schedule.

The Lubbock System 2004, 2005, 2006, 2007, 2008 and 2009 GRIP Rider applies to this schedule.

EFFECTIVE: Bills rendered on and after June 9, 2010 Outside City Limits

ISSUED BY: C.W. Guy, Vice President - Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**Lubbock Distribution System - ICL**

Commercial Gas Service

Availability

This schedule is applicable to Commercial type customers, including hospitals and churches, for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with alternative supply of natural gas.

Monthly Rate

Customer Charge:

Prospective	\$ 14.90
True-up	(\$ 0.41)

Commodity Charge – All Consumption:

Prospective	\$ 0.13159 per Ccf
True-up	(\$ 0.00360) per Ccf

The West Texas Division Gas Cost Adjustment Rider applies to this schedule.

The West Texas Division Weather Normalization Adjustment Rider applies to this schedule.

The Lubbock Rate Review Mechanism (RRM) Adjustment Rider applies to this schedule.

The Lubbock Conservation Program Adjustment Rider applies to this schedule.

**ATMOS ENERGY CORPORATION**  
**Lubbock Distribution System - OCL**

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Commercial Gas Service

Availability

This schedule is applicable to Commercial type customers, including hospitals and churches, for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Customer Charge:	\$ 12.26
2004 GRIP Charge:	\$ 3.49
2005 GRIP Charge:	\$ 0.00
2006 GRIP Charge:	\$ 2.01
2007 GRIP Charge:	\$ 1.59
2008 GRIP Charge:	\$ 2.13
2009 GRIP Charge:	<u>\$ 1.78</u>
Total Customer Charge:	\$ 23.26

Commodity Charge:

All Consumption \$ 0.09500 per Ccf

Rate Adjustment Provision

The West Texas System Gas Cost Adjustment Rider applies to this schedule.

The Lubbock System Weather Normalization Adjustment Rider applies to this schedule.

The Lubbock System 2004, 2005, 2006, 2007, 2008 and 2009 GRIP Rider applies to this schedule.

**ATMOS ENERGY CORPORATION**  
**Lubbock Rate Division - ICL**

Small Industrial Gas Service

Availability

This schedule is applicable to the sales of any industrial or commercial customer whose predominant use of natural gas is other than space heating, cooking, water heating or other similar type uses. Service under this schedule is available to eligible customers following execution of a contract specifying the maximum hourly load. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Customer Charge:

Prospective	\$ 89.05
True-up	(\$ 3.12)

Commodity Charge:

Prospective	
0 - 1,000 Ccf	\$ 0.11947 per Ccf
All over 1,000 Ccf	\$ 0.09724 per Ccf
True-up	
All Consumption	(\$ 0.00350) per Ccf

Rate Adjustment Provision

The West Texas Division Gas Cost Adjustment Rider applies to this schedule.

The Lubbock Rate Review Mechanism (RRM) Adjustment Rider applies to this schedule.

The Lubbock Conservation Program Adjustment Rider applies to this schedule.

EFFECTIVE: For Bills rendered on and after September 1, 2010 Inside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**Lubbock Distribution System - OCL**

Small Industrial Gas Service

Availability

This schedule is applicable to the sales of any industrial or commercial customer whose predominant use of natural gas is other than space heating, cooking, water heating or other similar type uses. Service under this schedule is available to eligible customers following execution of a contract specifying the maximum hourly load. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Customer Charge:	\$ 30.14
2004 GRIP Charge:	\$ 38.82
2005 GRIP Charge:	\$ 0.00
2006 GRIP Charge:	\$ 22.33
2007 GRIP Charge:	\$ 23.54
2008 GRIP Charge:	\$ 31.35
2009 GRIP Charge:	<u>\$ 26.36</u>
Total Customer Charge:	\$ 172.54

Commodity Charge:

First 1,000 Ccf	\$ 0.09650
All over 1,000 Ccf	\$ 0.07500

Rate Adjustment Provision

The West Texas System Gas Cost Adjustment Rider applies to this schedule.

The Lubbock System 2004, 2005, 2006, 2007, 2008 and 2009 GRIP Rider applies to this schedule.

EFFECTIVE: Bills rendered on and after June 9, 2010 Outside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**Lubbock Rate Division - ICL**

Public Authority Gas Service

Availability

This schedule is applicable to general use by Public Authority type customers, including public schools, for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Customer Charge:

Prospective	\$ 61.29
True-up	(\$ 2.46)

Commodity Charge – All Consumption:

Prospective	\$ 0.11811 per Ccf
True-up	(\$ 0.00474) per Ccf

The West Texas Division Gas Cost Adjustment Rider applies to this schedule.

The West Texas Division Weather Normalization Adjustment Rider applies to this schedule.

The Lubbock Rate Review Mechanism (RRM) Adjustment Rider applies to this schedule.

The Lubbock Conservation Program Adjustment Rider applies to this schedule.

EFFECTIVE: For Bills rendered on and after September 1, 2010 Inside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**Lubbock Distribution System - OCL**

Public Authority Gas Service

Availability

This schedule is applicable to general use by Public Authority type customers, including public schools, for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Customer Charge:	\$ 29.93
2004 GRIP Charge:	\$ 17.29
2005 GRIP Charge:	\$ 0.00
2006 GRIP Charge:	\$ 9.95
2007 GRIP Charge:	\$ 7.70
2008 GRIP Charge:	\$ 10.45
2009 GRIP Charge:	<u>\$ 8.94</u>
Total Customer Charge:	\$ 84.26

Commodity Charge:

All Consumption \$ 0.09100 per Ccf

Rate Adjustment Provision

The West Texas System Gas Cost Adjustment Rider applies to this schedule.

The Lubbock System Weather Normalization Adjustment Rider applies to this schedule.

The Lubbock System 2004, 2005, 2006, 2007, 2008 and 2009 GRIP Rider applies to this schedule.

EFFECTIVE: Bills rendered on and after June 9, 2010 Outside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**Lubbock Rate Division - ICL**

State Institution Gas Service

Availability

This schedule is applicable to gas service to state agencies (as provided in Texas Utilities Code, Section 104.202) including, but not limited to, state college and universities, MHMR schools, agriculture, highway and public safety departments, prisons, and other facilities owned or operated by the State of Texas for the purpose of heating, cooking, refrigeration, water heating and other similar type uses.

Monthly Rate

Customer Charge:

Prospective	\$ 57.30
True-up	(\$ 1.95)

Commodity Charge – All Consumption:

Prospective	\$ 0.11154 per Ccf
True-up	(\$ 0.00380) per Ccf

The West Texas Division Gas Cost Adjustment Rider applies to this schedule.

The West Texas Division Weather Normalization Adjustment Rider applies to this schedule.

The Lubbock Rate Review Mechanism (RRM) Adjustment Rider applies to this schedule.

The Lubbock Conservation Program Adjustment Rider applies to this schedule.

EFFECTIVE: Bills rendered on and after September 1, 2010 Inside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**Lubbock Distribution System - OCL**

State Institution Gas Service

Availability

This schedule is applicable to gas service to state agencies (as provided in Texas Utilities Code, Section 104.202) including, but not limited to, state college and universities, MHMR schools, agriculture, highway and public safety departments, prisons, and other facilities owned or operated by the State of Texas for the purpose of heating, cooking, refrigeration, water heating and other similar type uses.

Monthly Rate

Customer Charge:	\$ 29.23
2004 GRIP Charge:	\$ 15.18
2005 GRIP Charge:	\$ 0.00
2006 GRIP Charge:	\$ 8.73
2007 GRIP Charge:	\$ 8.01
2008 GRIP Charge:	\$ 10.67
2009 GRIP Charge:	<u>\$ 8.38</u>
Total Customer Charge:	\$ 80.20

Commodity Charge:

All Consumption \$ 0.08645 per Ccf

Rate Adjustment Provision

The West Texas System Gas Cost Adjustment Rider applies to this schedule.

The Lubbock System Weather Normalization Adjustment Rider applies to this schedule.

The Lubbock System 2004, 2005, 2006, 2007, 2008 and 2009 GRIP Rider applies to this schedule.

EFFECTIVE: Bills rendered on and after June 9, 2010 Outside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

West Texas Division Gas Cost Adjustment Rider

Application

Gas bills issued under rate schedules to which this Rider applies will include adjustments to reflect decreases or increases in purchased gas costs or taxes. Purchased gas costs includes any prudently incurred transaction related fees, gains or losses and other transaction costs associated with the use of various financial instruments that are executed by the Company for the purpose of price volatility mitigation. Accumulated Deferred Gas Costs shall also be adjusted for gas cost amounts which are uncollectible. Any such adjustments shall be filed with the City's Secretary before the beginning of the month in which the adjustment will be applied to bills. The amount of each adjustment shall be computed as follows:

Gas Cost Adjustment (GCA)

The GCA to be applied to each Ccf billed shall be computed as follows and rounded to the nearest \$0.01:

$$GCA = (G/S + CF) \times TF$$

Where:

1. "G", in dollars, is the expected cost of gas for the expected sales billings units.
2. "S", in Ccf as measured at local atmospheric pressure, is the expected sales billing units to be billed to customers in the respective section of the Company's Amarillo and West Texas Service Area.
3. "CF", in \$/Ccf as measured at local atmospheric pressure, is the correction factor charge per Ccf to adjust for the cumulative monthly difference between the cost of gas purchased by the Company and the amount of gas cost billed to the customer plus any gas cost which is uncollectible.

More specifically, CF shall be calculated as follows:

$$CF = (a/b) + (c/b)$$

- a = over (under) collection dollar amount for the 12 month period ending September.
- b = expected estimated sales volumes for the future 12 month period ending November.
- c = net uncollectible gas cost, that is:

(uncollectible gas cost for the previous 12 months ended September) – (subsequently collected gas cost for the previous 12 months ended September)

Once a year, on a 12 months ended September basis, the Company shall review the percentage of lost and unaccounted for gas. If this percentage exceeds 5% of the amount metered in, the correcting account balance will be reduced so that the customer will effectively be charged a maximum of 5% for lost and unaccounted for gas and the Company will absorb the excess.

4. "TF" is the tax factor. The tax factor for all unincorporated areas is 1. For incorporated areas the tax factor for each service area is calculated as:  $1/[1-(SGR+FFR)]$  where SGR = the applicable state gross receipts rate imposed by sections 182-021 – 182-025 of the Texas Tax Code that is not otherwise collected by a separate rider and where FFR = the applicable franchise fee rate per city ordinance that is not otherwise collected by a separate rider.

**EFFECTIVE:** Bills rendered on and after September 10, 2010 inside city limits

**ISSUED BY:** C.W. Guy, Vice President-Rates & Regulatory Affairs

West Texas Division Weather Normalization Adjustment (WNA) Rider

Provision for Adjustment

The base rate per Ccf (100,000 Btu) for gas service set forth in any Rate Schedules utilized in the City of Lubbock service area for determining normalized winter 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 temperature sensitive residential, commercial, public authority and state institution bills based on meters read during the revenue months of October through May.

EFFECTIVE: Bills rendered on and after September 1, 2010 Inside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

West Texas Division Weather Normalization Adjustment (WNA) Rider

Computation of Weather Normalization Adjustment

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

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

Where

- $R_i$  = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
- $WNAF_i$  = Weather Normalization Adjustment Factor for the  $i^{th}$  rate schedule or classification expressed in cents per Ccf
- $R_i$  = base rate of temperature sensitive sales for the  $i^{th}$  schedule or classification utilized
- $HSF_i$  = heat sensitive factor for the  $i^{th}$  schedule or classification divided by the average bill count in that class
- $NDD$  = billing cycle normal heating degree days
- $ADD$  = billing cycle actual heating degree days
- $BL_i$  = base load sales for the  $i^{th}$  schedule or Classification divided by the average bill count in that class

The Weather Normalization Adjustment for the  $j^{th}$  customer in  $i^{th}$  rate schedule is computed as:

$$WNA_{ij} = WNAF_i \times q_{ji}$$

Where  $q_{ji}$  is the relevant sales quantity for the  $j^{th}$  Customer in  $i^{th}$  rate schedule

EFFECTIVE: Bills rendered on and after March 1, 2004 Inside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

West Texas Division Weather Normalization Adjustment (WNA) Rider

Filings with Regulatory Agencies

The Company will file (a) a copy of each computation of the Weather Normalization Adjustment Factor, (b) a schedule showing the effective date of each such Weather Normalization Adjustment, and (c) a schedule showing the factors of values used in calculating such Weather Normalization Adjustment

EFFECTIVE: Bills rendered on and after March 1, 2004 Inside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

Weather Normalization Adjustment (WNA) Rider

Provision for Adjustment

The base rate per Ccf (100,000 Btu) for gas service set forth in any Rate Schedules utilized in the City of Lubbock service area for determining normalized winter 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 temperature sensitive residential, commercial, public authority and state institution bills based on meters read during the revenue months of October through May.

EFFECTIVE: Bills rendered on and after June 21, 2005 Outside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

Weather Normalization Adjustment (WNA) Rider

Computation of Weather Normalization Adjustment

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

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

Where

- $R_i$  = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
- $WNAF_i$  = Weather Normalization Adjustment Factor for the  $i^{th}$  rate schedule or classification expressed in cents per Ccf
- $R_i$  = base rate of temperature sensitive sales for the  $i^{th}$  schedule or classification utilized
- $HSF_i$  = heat sensitive factor for the  $i^{th}$  schedule or classification divided by the average bill count in that class
- $NDD$  = billing cycle normal heating degree days
- $ADD$  = billing cycle actual heating degree days
- $BL_i$  = base load sales for the  $i^{th}$  schedule or Classification divided by the average bill count in that class

The Weather Normalization Adjustment for the  $j^{th}$  customer in  $i^{th}$  rate schedule is computed as:

$$WNA_{ij} = WNAF_i \times q_{ji}$$

Where  $q_{ji}$  is the relevant sales quantity for the  $j^{th}$  Customer in  $i^{th}$  rate schedule

EFFECTIVE: Bills rendered on and after June 21, 2005 Outside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

Weather Normalization Adjustment (WNA) Rider

Filings with Regulatory Agencies

The Company will file (a) a copy of each computation of the Weather Normalization Adjustment Factor, (b) a schedule showing the effective date of each such Weather Normalization Adjustment, and (c) a schedule showing the factors of values used in calculating such Weather Normalization Adjustment

EFFECTIVE: Bills rendered on and after June 21, 2005 Outside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

**RIDER RRM – RATE REVIEW MECHANISM**

Purpose:

This mechanism is designed to provide annual earnings transparency. All rate calculations under this tariff shall be made on a system wide basis. If, through the implementation of the provisions of this mechanism, it is determined that rates should be decreased or increased, then rates will be adjusted accordingly in the manner set forth herein. The rate adjustments implemented under this mechanism will reflect annual changes in the Company's cost of service and rate base. This adjustment will be authorized for an Initial Implementation Period. With the conclusion of the final rate adjustment, if any, for the Initial Implementation Period, each entity having original jurisdiction may revoke, amend, or approve Subsequent Implementation Period(s) for, the mechanism.

Definitions

- a) The Annual Evaluation Date shall be the date the Company will make its annual filing under this mechanism. The Annual Evaluation Date shall be no later than April 1, of each year. This filing shall be effective in electronic form where practicable. The initial filing shall be made no later than April 15, 2009.
- b) Audited Financial Data shall mean the Company's books and records related to the Company's Lubbock operating area and shared services operations. Audited Financial Data shall not require the schedules and information provided under this tariff to undergo a separate financial audit by an outside auditing firm similar to the Company's annual financial audit.
- c) The Evaluation Period is defined as the twelve month period ending December 31, of each calendar year. The initial Evaluation Period shall be calendar year 2008.
- d) The Rate Effective Period is defined as the earlier of the twelve month period for which rates determined under this mechanism will be in effect or subsequent rates are implemented.
- e) Per Connection Basis is defined as the existing average number of Lubbock Rate Division active meters to customers during the Evaluation Period.
- f) Initial Implementation Period is defined as the three (3) year period commencing with the Company's filing under this mechanism for the calendar year 2008, effective October 1, 2009, and shall conclude with the implementation of rate adjustments, if any, for the third Rate Effective Period.
- g) Subsequent Implementation Period is defined as any three (3) year period after the conclusion of the Initial Implementation Period.
- h) Final Order is defined as the most recent order establishing the Company's latest effective rates for the area in which the mechanism is implemented, and shall include municipal rate ordinances and resolutions.

Rate Review Mechanism

The Company shall file with each regulatory authority having original jurisdiction over the Company's rates the schedules specified below for the Evaluation Period, with the filing to be made by the Annual Evaluation Date following the end of the Evaluation Period. The schedules, which will be based upon the Company's Audited Financial Data, as adjusted, and will include the following:

- a) Company's 13 month average actual gross plant in service, accumulated depreciation, accumulated deferred income taxes, inventory, working capital, and other rate base components for the Evaluation Period. A 13 month average will be used for these items for the true up calculation; Evaluation Period ending balances for these items will be used for the calculation of rates for the Rate Effective Period. The ratemaking treatments, principles, findings and adjustments included in the Final Order will apply where they are not in conflict or specifically addressed elsewhere in this tariff or the letter agreement. The 4 part allocation methodology as approved for the Mid-Tex Operating Division in GUD 9670 will be used in place of the current 3 part methodology used by the West Texas Operating Division. Regulatory adjustments due to prior regulatory rate base adjustment disallowances will be maintained. The RRM Schedules & Information section of this tariff identifies those ADIT components to be included in the calculation of rate base for both the Evaluation Period and Rate Effective Period calculations.
- b) The Company's depreciation expense, operating and maintenance expense, and taxes other than income taxes booked in the period will be used for the true-up calculation purposes. Depreciation rates booked in the period will be those approved in the Final Order, or the rate most recently approved. All calculation methodologies will be those approved in the Final Order except where noted or included in this tariff, or in the most recent order addressing the methodology. In addition, the Company shall exclude from operating and maintenance expense the discretionary costs to be disallowed from Rider RRM filings listed in the RRM Schedules and Information section of this tariff.
- c) Return on Equity (ROE) shall be maintained at 9.6%.
- d) Cost of debt will reflect actual cost for the Evaluation Period. A 13 month average cost of debt and capital structure will be used for the true up calculation; Evaluation Period ending balances for cost of debt and capital structure will be used for the calculation of rates for the Rate Effective Period. Capital structure will be the actual Evaluation Period ratio of long-term debt and equity, with percentage equity not to exceed 48.1% equity, based on the calculation methodology outcomes used above.
- e) All applicable accounting adjustments along with all supporting work papers. Such adjustments may include:
  - 1. Pro-forma adjustments to update and annualize costs and revenue billing determinants for the Rate Effective Period.

2. Pro-forma or other adjustments required to properly account for atypical, unusual, or nonrecurring events recorded during the Evaluation Period.

f) Shared Services allocation factors shall be recalculated each year based on the latest component factors used during the Evaluation Period, as referenced in (a) above.

Calculation of Rate Adjustment

- a) The Company shall provide additional schedules indicating the following revenue deficiency/sufficiency calculations using the methodology accepted in the Final Order, a 13 month average will be used for the specified items for the true up calculation, Evaluation Period ending balances will be used for the calculation of rates for the Rate Effective Period. These schedules shall identify the rate adjustments necessary for both a true-up of revenue for the Evaluation Period and the setting of prospective rates for the Rate Effective Period. The net result of these rate adjustments shall be reflected in the proposed new rates to be established for the Rate Effective Period. In calculating the required rate adjustments, such adjustments will be made pro-ratably to the customer charge and usage charge based upon actual revenue generated, as adjusted under the Company's approved Weather Normalization Adjustment (WNA) Rider. Provided, however, that neither the Residential nor the Commercial customer charges may increase more than 20% per year.
- b) If Company's earnings during the Evaluation Period exceed 9.6% return on common equity, the Company shall calculate a decrease to rates to reduce the revenue required to achieve a return on equity of 9.6% for the Evaluation Period. If Company's earnings during the Evaluation Period are below 9.6% return on common equity, the Company shall calculate an increase in rates to collect the additional revenue required to increase its return on equity for the Evaluation Period to 9.6%. In order to avoid double-counting of true-up revenues, any true-up revenue booked during the Evaluation Period that is related to prior periods will be removed in determining both the prospective rates for the Rate Effective Period and the true-up increase or decrease related to the current Evaluation Period. The RRM Schedule & Information section of this tariff provides an example calculation. After the prospective rates for the Rate Effective Period are calculated, the true-up element shall be added to or deducted from those rates in order to determine the rates that shall thereafter be recovered. The first true-up will be collected between October 1, 2009 and July 31, 2010 to eliminate overlapping true-up periods.
- c) The Company may also adjust rates for the Rate Effective Period to include recovery of any known and measurable changes to operating and maintenance costs including, but not limited to, all payroll and compensation expense, all benefit expense, all pension expense, insurance costs, materials and supplies, bad debt costs, all medical expense, transportation and building and lease costs for the Rate Effective Period. Provided, however, that adjustments may only be made for costs that are reasonable and necessary. Additionally, utility plant and rate base for the Rate Effective Period will be established by using the Evaluation Period ending balances, including associated changes in depreciation and amortization expense and taxes.

EFFECTIVE: For Bills rendered on and after October 1, 2009 Inside City Limits

ISSUED BY: C.W.Guy, Vice President – Rates & Regulatory Affairs

In calculating the Company's known and measurable changes for prospective RRM adjustment purposes, Operating and Maintenance expenses per connection for the Rate Effective Period cannot increase more than the Texas Consumer Price Index ("CPI") per year without specific identification and justification. Any proposed adjustment above the Texas CPI per year, is subject to the provisions of the Evaluation Procedures of this tariff. Such procedures provide that the regulatory authority will review the proposed adjustment and that the Company and regulatory authority will work collaboratively to seek agreement on the proposed adjustments to the Company's schedules and proposed rates. Justification for such expenditures over the cap shall include an event or combination of events beyond the control of the Company. The beginning adjusted Operation and Maintenance expense per connection for the 2009 RRM Rate Effective Period will be limited to not exceed the final O&M as established for the 12 month period ended December 31, 2008 divided by the connections for the period. The increase in adjusted Operation and Maintenance expenses per connection for the 2010 Rate Effective Period and subsequent Rate Effective periods cannot exceed the Texas CPI per year, without specific identification and justification. The RRM Schedule & Information section of this tariff provides an example calculation of the Texas CPI limit.

The regulatory authority may disallow any net plant investment that is not shown to be prudently incurred. Approval by the regulatory authority of net plant investment pursuant to the provisions of this tariff shall constitute a finding that such net plant investment was prudently incurred. Such finding of prudence shall not be subject to further review in a subsequent Evaluation Period or Statement of Intent filing.

d) The Company also shall provide a schedule demonstrating the "proof of revenues" relied upon to calculate the proposed rate for the Rate Effective Period. The proposed rates shall conform as closely as is practicable to the revenue allocation principles approved in the Final Order.

#### Attestation

A sworn statement shall be filed by the Company's Chief Officer in Charge of West Texas Operations affirming that the filed schedules are in compliance with the provisions of this mechanism and are true and correct to the best of his/her knowledge, information and belief. No testimony shall be filed.

#### Evaluation Procedures

The regulatory authority having original jurisdiction over the Company's rates shall have no less than ninety (90) days to review the Company's filed schedules and work papers. The Company will be prepared to provide all supplemental information as may be requested to ensure adequate review by the relevant regulatory authority. The Company shall not unilaterally impose any limits upon the provision of supplemental information and such information shall be provided within ten (10) working days of the original request. The regulatory authority may propose any adjustments it determines to be required to bring the schedules into compliance with the above provisions.

**ATMOS ENERGY CORPORATION**  
**Lubbock Distribution System - ICL**

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During and following the ninety (90) day review period and a thirty (30) day response period, the Company and the regulatory authority will work collaboratively and seek agreement on, the proposed adjustments to the Company's schedule and proposed rates. If agreement has been reached by the Company and the regulatory authority, the regulatory authority shall authorize an increase or decrease to the Company's rates so as to achieve the revenue levels indicated for the Rate Effective Period. If, at the end of the thirty (30) day response period, the Company and the regulatory authority have not reached agreement on the proposed adjustments, the Company shall have the right to appeal the regulatory authority's action or inaction to the Railroad Commission of Texas. Upon the filing of any appeal, the Company shall have the right to implement the proposed RRM rate adjustment, subject to refund.

If approved by the entity exercising original jurisdiction, the rates established pursuant to the Rate Review Mechanism for the first Rate Effective Period shall be effective for bills rendered on or after October 1, 2009. Thereafter, rates established pursuant to the Rate Review Mechanism for subsequent Rate Effective Periods, if approved as provided herein, shall be effective on August 1 of each year.

Reconsideration and Appeal

Orders issued pursuant to this mechanism are ratemaking orders and shall be subject to appeal under Sections 102.001(b) and 103.021, et seq., of the Texas Utilities Code (Vernon 2007).

Notice

Notice of the annual Rate Review Mechanism filing shall be provided pursuant to Section 104.103, TEX. UTIL. CODE ANN. no later than forty-five (45) days after the Company makes its annual filing pursuant to this tariff. The notice to customers shall include the following information:

- a) a description of the proposed revision of rates and schedules;
- b) the effect the proposed revision of rates is expected to have on the rates applicable to each customer class and on an average bill for each affected customer;
- c) the service area or areas in which the proposed rate adjustment would apply;
- d) the date the proposed rate adjustment was filed with the regulatory authority; and
- e) the Company's address, telephone number and website where information concerning the proposed rate adjustment may be obtained.

EFFECTIVE: For Bills rendered on and after October 1, 2009 Inside City Limits

ISSUED BY: C.W.Guy, Vice President – Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**Lubbock Distribution System - ICL**

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**RRM Schedules and Information**

**Accumulated Deferred Income Tax ("ADIT") Items To Be Recognized in Rate Base**

The following list identifies those ADIT components to be included in the calculation of rate base for both the Evaluation Period and Rate Effective Period calculations:

**WTX Rate Division:**

Gas Plant in Service  
Insurance Accruals  
Benefit Accruals  
Deferred Expense Projects  
Allowance for Doubtful Accounts  
Customer Advances  
Regulatory Asset - West Texas  
Regulatory Liability - West Texas  
Other Plant

**SSU - Customer Support:**

Gas Plant in Service

**SSU - General Office:**

Gas Plant in Service

Insurance Accruals  
Benefits Accruals  
Deferred Expense Projects  
Prepaid Expenses  
Regulatory Liability - Atmos 109  
FAS 115 Adjustment  
Treasury Lock Adjustment  
State Bonus Depreciation  
R & D Credit Valuation Allowance  
Other Plant

**Discretionary Costs to Be Disallowed from Rider RRM filings**

The following types of employee reimbursed expenses and directly incurred costs are to be removed from all expense and rate base amounts included within Rider RRM filings for the Evaluation Period and for the Rate Effective Period:

Amounts incurred for travel, meals or entertainment of employee spouses.  
Amounts for air travel that exceed published commercial coach air fares.  
Amounts incurred for hotel rooms exceeding \$250 per night inclusive of taxes and fees assessed on such rooms.  
Amounts for alcoholic beverages.  
Amounts paid for admission to entertainment, sports, art or cultural events, and all event sponsorship costs.  
Amounts for social club dues or fees.

**ATMOS ENERGY CORPORATION**  
**Lubbock Distribution System - ICL**

Example Calculation A - Revenue for RRM True-Up Portion of Rate

**\*\* FOR ILLUSTRATION PURPOSES ONLY.  
 AMOUNTS ARE HYPOTHETICAL, AND DO NOT CORRESPOND  
 WITH OTHER EXAMPLE SCHEDULES\*\***

	Calendar 2007	Calendar 2008	Calendar 2009	Calendar 2010	Calendar 2011
Per Books Revenue, excluding True-Up Revenue from prior Evaluation Periods	\$150,000	\$156,000	\$157,700	\$158,200	\$158,700
Per Books True-Up Revenue based on 2007 Evaluation period [1]		800	1200		
Per Books True-Up Revenue based on 2008 Evaluation period [1]			(364)	(546)	
Per Books True-Up Revenue based on 2009 Evaluation period [1]				234	351
<b>Total Per-Books Revenue</b>	<b>\$150,000</b>	<b>\$156,800</b>	<b>\$158,536</b>	<b>\$157,888</b>	<b>\$159,051</b>
Add / (Subtract):					
Revenue from Riders GCR, FF, & TAX	(110,000)	(111,000)	(112,000)		
Surcharges for Rate Case Cost Recovery	(200)	(200)	(200)		
True-Up Revenue for 2007 Evaluation Period [1]		(800)	(1,200)		
True-Up Revenue for 2008 Evaluation Period [1]			364		
Remove out-of-period and unusual items	-	-	-		
<b>Realized Revenue for True-Up Calculation</b>	<b>39,800</b>	<b>44,800</b>	<b>45,500</b>		
<b>Revenue Requirement at 9.6% ROE [2]</b>	<b>41,800</b>	<b>43,890</b>	<b>46,085</b>		
<b>True-up Increase (Decrease), subject to Revenue-Related Tax Gross-up</b>	<b>\$ 2,000</b>	<b>\$ (910)</b>	<b>\$ 585</b>		

[1] For illustration purposes, example assumes 40% of the total calculated true-up is collected in the following calendar year. Each true-up is subject to a proof of collection or refund after the collection/refund period, and any residual amount will be refunded or collected in the subsequent period.

[2] Since realized revenue for the true-up calculation excludes Riders GCR, FF, and TAX, as well as surcharges for rate case cost recovery, the revenue requirement for purposes of the true-up calculation also excludes all corresponding expenses for the Evaluation Period.

**EFFECTIVE: For Bills rendered on and after October 1, 2009 Inside City Limits**  
**ISSUED BY: C.W.Guy, Vice President – Rates & Regulatory Affairs**

**ATMOS ENERGY CORPORATION**  
**Lubbock Distribution System - ICL**

Example Calculation B - Revenue for RRM Prospective Portion of Rate

**\*\* FOR ILLUSTRATION PURPOSES ONLY.  
 AMOUNTS ARE HYPOTHETICAL, AND DO NOT CORRESPOND  
 WITH OTHER EXAMPLE SCHEDULES\*\***

	Oct 2008 - Sept 2009	July 15, 2009 - July 14, 2010	July 15, 2010 - July 14, 2011
Rate Effective Period Revenue Price-Out at Current Rates [1]	\$ 60,000	\$ 65,000	\$ 68,000
Remove True-Up Portion of Revenue [2]		(2,500)	1,100
Revenue at Current Rates for Rate Effective Period Deficiency Calculation	60,000	62,500	69,100
Revenue Requirement for Rate Effective Period	65,000	68,250	71,663
Rate Effective Period Revenue Increase / (Decrease) before True-Up, subject to Revenue Tax Gross-Up [3]	\$ 5,000	\$ 5,750	\$ 2,563

[1] To be calculated using pro-forma annualized billing determinants, as provided in this tariff, priced out at the current rates at the time of the deficiency calculation.

[2] To be calculated using pro-forma annualized billing determinants, as provided for in this tariff, priced out at the portion of current rates at the time of the deficiency calculation intended to true up prior Evaluation Period(s).

[3] This represents the prospective deficiency portion of the RRM adjustment. The true-up adjustment, demonstrated in Example Calculation A, will be combined with this adjustment to determine the total adjustment for the Rate Effective Period.

**ATMOS ENERGY CORPORATION**  
**Lubbock Distribution System - ICL**

Example Calculation C - Operation & Maintenance Expense Cap Test

**\*\*All Amounts are Hypothetical, and do not correspond with other example calculations\*\***

Evaluation Period (Calendar Year)	<u>2007</u>	<u>2008</u>	<u>2009</u>
Benchmark O&M per Connection (increased 5% annually)	\$ 97.23	102.99	107.19
Gas Service Connections [1]	1,553,000	1,560,000	1,567,000
Maximum O&M Allowed	\$ 151,000,000	\$ 159,260,400	\$ 167,966,730

[1] For illustration purposes only, Gas Service Connections are estimated for 2007 and are assumed to increase 7,000 connections per year. Therefore, 'Maximum O&M Allowed' is estimated for 2008 and 2009. Actual Gas Service Connections for 2007 will be used to calculate the 2007 O&M per Connection. For each subsequent Evaluation Period, the prior period O&M per Connection will be increased by 5%, and then multiplied by the actual Gas Service Connections for the same period to derive the 'Maximum O&M Allowed'.

**CONSERVATION PROGRAM**

To promote conservation-related activities, in each RRM Plan year, Atmos Energy Corporation (“Company”), commits to annual funding of conservation expenditures of ½% of prior calendar year margin revenues (less any revenue related taxes) or \$100,000 whichever is greater.

- a. 100% of this amount will be provided directly to the City of Lubbock for weatherization services by August 1<sup>st</sup>, 2009 and August 1<sup>st</sup> each year thereafter through August 1, 2011.
- b. 50% of the expenditures made by Atmos under part (a) will be considered in determining the Company’s annual earnings for RRM rate adjustment purposes.

EFFECTIVE: For Bills rendered on and after August 1, 2009 Inside City Limits  
ISSUED BY: C.W.Guy, Vice President – Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**Fritch-Sanford Distribution System - OCL**

Residential Gas Service

Availability

This schedule is applicable to general use by Residential customers for heating, cooking, refrigeration, water heating, and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Customer Charge: \$ 3.20

Commodity Charge:

First 100 Ccf per month	\$ 0.11069
Next 150 Ccf per month	\$ 0.10354
Over 250 Ccf per month	\$ 0.07606

Adjustment Provision

The West Texas System Gas Cost Adjustment Rider applies to this schedule.

Commercial Gas Service

Availability

This schedule is applicable to Commercial type customers, including hospitals and churches, for heating, cooking, refrigeration, water heating, and other similar type uses. This schedule is not available for service to premises with alternative supply of natural gas.

Monthly Rate

Customer Charge: \$ 3.20

Commodity Charge:

First 100 Ccf per month	\$ 0.11069
Next 150 Ccf per month	\$ 0.10354
Over 250 Ccf per month	\$ 0.07606

Adjustment Provision

The West Texas System Gas Cost Adjustment Rider applies to this schedule.

EFFECTIVE: Bills rendered on and after January 24, 2006 Outside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**Fritch-Sanford Distribution System - OCL**

Public Authority Gas Service

Availability

This schedule is applicable to general use by Public Authority type customers, including public schools, for heating, cooking, refrigeration, water heating, and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Customer Charge: \$ 3.20

Commodity Charge:

First 100 Ccf per month	\$ 0.11069
Next 150 Ccf per month	\$ 0.10354
Over 250 Ccf per month	\$ 0.07606

Adjustment Provision

The West Texas System Gas Cost Adjustment Rider applies to this schedule.

EFFECTIVE: Bills rendered on and after January 24, 2006 Outside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**Fritch-Sanford Distribution System – OCL**

Small Industrial Gas Service

Availability

This schedule is applicable to the sales of any industrial or commercial customer whose predominant use of natural gas is other than space heating, cooking, water heating or similar type uses. Service under this schedule is available to eligible customers following execution of a contract specifying the maximum hourly load. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Customer Charge: \$ 3.20

Commodity Charge:

First 100 Ccf per month	\$ 0.11069
Next 150 Ccf per month	\$ 0.10354
Over 250 Ccf per month	\$ 0.07606

Adjustment Provision

The West Texas System Gas Cost Adjustment Rider applies to this schedule.

West Texas Gas Cost Adjustment Rider

Application

Gas bills issued under rate schedules to which this Rider applies will include adjustments to reflect decreases or increases in purchased gas costs or taxes. Any such adjustments shall be filed with the appropriate regulatory authority before the beginning of the month in which the adjustment will be applied to bills. The amount of each adjustment shall be computed as follows:

Gas Cost Adjustment (GCA)

The GCA to be applied to each Ccf billed shall be computed as follows and rounded to the nearest \$0.01:

$$GCA = ( G/S + CF ) \times TF$$

Where:

1. "G", in dollars, is the expected cost of gas for the expected sales billing units.
2. "S", in Ccf at 13.6 psia, is the expected sales billing units to be billed to the customers in the respective sector of the Company's West Texas Service.
3. "CF", in \$/Ccf at 13.6 psia, is a correction factor charge per Ccf to adjust for the cumulative monthly differences between the cost of gas purchased by the Company and the amount of gas cost billed the customer.

Once a year, on 12 months ended September basis, the Company shall review the percentage of lost and unaccounted for gas. If this percentage exceeds 5% of the amount metered in, the correcting account balance will be reduced so that the customer will effectively be charged a maximum of 5% for lost and unaccounted for gas and the Company will absorb the excess.

4. "TF" is a tax factor of 1.0000

The Company's base rates include a base cost of gas of \$00.00/Ccf.

EFFECTIVE: Bills rendered on and after January 24, 2006 Outside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**Dalhart-Channing Distribution System - OCL**

**Tariff No: 16597**  
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Residential Gas Service

Availability

This schedule is applicable to general use by Residential Customers for heating, cooking, refrigeration, water heating, and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Customer Charge: \$ 4.30

Commodity Charge:

First 26 Ccf or less – Included with Customer Charge.	
Next 74 Ccf @	\$ 0.11866
Next 400 Ccf @	\$ 0.09354
Over 500 Ccf @	\$ 0.07794

The West Texas System Gas Cost Adjustment Rider applies to this schedule.

EFFECTIVE: Bills rendered on and after January 24, 2006 Outside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**Dalhart-Channing Distribution System - OCL**

**Tariff No: 16598**  
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Commercial Gas Service

Availability

This schedule is applicable to Commercial type customers, including hospitals and churches, for heating, cooking, refrigeration, water heating, and other similar type uses. The schedule is not available for service to premises with alternative supply of natural gas.

Monthly Rate

Customer Charge: \$ 4.30

Commodity Charge:

First 26 Ccf or less – Included with Customer Charge.	
Next 74 Ccf @	\$ 0.11866
Next 400 Ccf @	\$ 0.09354
Over 500 Ccf @	\$ 0.07794

The West Texas System Gas Cost Adjustment Rider applies to this schedule.

EFFECTIVE: Bills rendered on and after January 24, 2006 Outside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**Dalhart-Channing Distribution System - OCL**

**Tariff No: 16600**  
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Public Authority Gas Service

Availability

This schedule is applicable to general use by Public Authority type customers, including public schools, for heating, cooking, refrigeration, water heating, and other similar type of uses. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Customer Charge: \$ 4.30

Commodity Charge:

First 26 Ccf or less – Included with Customer Charge.	
Next 74 Ccf @	\$ 0.11866
Next 400 Ccf @	\$ 0.09354
Over 500 Ccf @	\$ 0.07794

The West Texas System Gas Cost Adjustment Rider applies to this schedule.

EFFECTIVE: Bills rendered on and after January 24, 2006 Outside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**Dalhart-Channing Distribution System - OCL**

Small Industrial Gas Service

Availability

This schedule is applicable to the sales of any industrial or commercial customer whose predominant use of natural gas is other than space heating, cooking, water heating, or other similar type uses. Service under this schedule is available to eligible customers following execution of a contract specifying the maximum hourly load. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Customer Charge: \$ 4.30

Commodity Charge:

First 26 Ccf or less – Included with Customer Charge.	
Next 74 Ccf @	\$ 0.11866
Next 400 Ccf @	\$ 0.09354
Over 500 Ccf @	\$ 0.07794

The West Texas System Gas Cost Adjustment Rider applies to this schedule.

EFFECTIVE: Bills rendered on and after January 24, 2006 Outside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

West Texas Gas Cost Adjustment Rider

Application

Gas bills issued under rate schedules to which this Rider applies will include adjustments to reflect decreases or increases in purchased gas costs or taxes. Any such adjustments shall be filed with the appropriate regulatory authority before the beginning of the month in which the adjustment will be applied to bills. The amount of each adjustment shall be computed as follows:

Gas Cost Adjustment (GCA)

The GCA to be applied to each Ccf billed shall be computed as follows and rounded to the nearest \$0.01:

$$GCA = ( G/S + CF) \times TF$$

Where:

1. "G", in dollars, is the expected cost of gas for the expected sales billing units.
2. "S", in Ccf at 13.6 psia, is the expected sales billing units to be billed to the customers in the respective sector of the Company's West Texas Service.
3. "CF", in \$/Ccf at 13.6 psia, is a correction factor charge per Ccf to adjust for the cumulative monthly differences between the cost of gas purchased by the Company and the amount of gas cost billed the customer.

Once a year, on 12 months ended September basis, the Company shall review the percentage of lost and unaccounted for gas. If this percentage exceeds 5% of the amount metered in, the correcting account balance will be reduced so that the customer will effectively be charged a maximum of 5% for lost and unaccounted for gas and the Company will absorb the excess.

4. "TF" is a tax factor of 1.0000

The Company's base rates include a base cost of gas of \$00.00/Ccf

EFFECTIVE: Bills rendered on and after January 24, 2006 Outside City Limits

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

PIPELINE SAFETY PROGRAM FEES - 2010

- (a) Pursuant to Texas Utilities Code, §121.211, the Commission establishes a pipeline safety inspection fee, to be assessed annually against operators of natural gas distribution pipelines and pipeline facilities and natural gas master metered pipelines and pipeline facilities subject to the Commission's pipeline safety jurisdiction under Texas Utilities Code, Chapter 121. The total amount of revenue estimated to be collected under this section does not exceed the amount the Commission estimates to be necessary to recover the costs of administering the pipeline safety program under Texas Utilities Code, Chapter 121, excluding costs that are fully funded by federal sources for any fiscal year.
- (b) The Commission hereby assesses each operator of a natural gas distribution system an annual pipeline safety program fee of \$0.70 for each service (service line) reported to be in service at the end of each calendar year by each system operator on the Distribution Annual Report, Form F7100.1-1, to be filed on March 15 of each year.
- (1) Each operator of a natural gas distribution system shall calculate the total amount of the annual pipeline safety program fee to be paid to the Commission by multiplying the number of services listed in Part B, Section 3, of Department of Transportation (DOT) Distribution Annual Report, Form F7100.1-1, due to be filed on March 15 of each year by \$0.70.
- (2) Each operator of a natural gas distribution system shall remit to the Commission on March 15 of each year the amount calculated under paragraph (1) of this subsection.
- (3) Each operator of a natural gas distribution system shall recover, by a surcharge to its existing rates, the amount the operator paid to the Commission under paragraph (1) of this subsection. The surcharge:
- (A) shall be a flat rate, one-time surcharge;
  - (B) shall not be billed before the operator remits the pipeline safety program fee to the Commission;
  - (C) shall be applied in the billing cycle or cycles immediately following the date on which the operator paid the Commission;
  - (D) shall not exceed \$0.70 per service or service line; and
  - (E) shall not be billed to a state agency, as that term is defined in Texas Utilities Code, §101.003.
- (4) No later than 90 days after the last billing cycle in which the pipeline safety program fee surcharge is billed to customers, each operator of a natural gas distribution system shall file with the Commission's Gas Services Division and the Safety Division a report showing:

EFFECTIVE: April 1, 2010

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

Pipeline Safety Fee

- (A) the pipeline safety program fee amount paid to the Commission;
  - (B) the unit rate and total amount of the surcharge billed to each customer;
  - (C) the date or dates on which the surcharge was billed to customers; and
  - (D) the total amount collected from customers from the surcharge.
- (5) Each operator of a natural gas distribution system that is a utility subject to the jurisdiction of the Commission pursuant to Texas Utilities Code, Chapters 101 - 105, shall file a generally applicable tariff for its surcharge in conformance with the requirements of §7.315 of this title, relating to Filing of Tariffs.
- (6) Amounts recovered from customers under this subsection by an investor-owned natural gas distribution system or a cooperatively owned natural gas distribution system shall not be included in the revenue or gross receipts of the system for the purpose of calculating municipal franchise fees or any tax imposed under Subchapter B, Chapter 182, Tax Code, or under Chapter 122, nor shall such amounts be subject to a sales and use tax imposed by Chapter 151, Tax Code, or Subtitle C, Title 3, Tax Code.
- (c) The Commission hereby assesses each master meter system an annual inspection fee of \$100 per master meter system.
- (1) Each operator of a natural gas master meter system shall pay the annual inspection fee of \$100 per master meter system no later than June 30 of each year.
  - (2) The Commission shall send an invoice to each affected natural gas master meter operator no later than April 30 of each year as a courtesy reminder. The failure of a natural gas master meter operator to receive an invoice shall not exempt the natural gas master meter operator from its obligation to remit the annual pipeline safety program fee on June 30 each year.
  - (3) Each operator of a natural gas master meter system shall recover as a surcharge to its existing rates the amounts paid to the Commission under this subsection.
  - (4) No later than 90 days after the last billing cycle in which the pipeline safety program fee surcharge is billed to customers, each master meter operator shall file with the Commission's Gas Services Division and the Safety Division a report showing:
    - (A) the pipeline safety program fee amount paid to the Commission;

EFFECTIVE: April 1, 2010

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**West Texas Distribution System**

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- (B) the unit rate and total amount of the surcharge billed to each customer;
- (C) the date or dates on which the surcharge was billed to customers; and
- (D) the total amount collected from customers from the surcharge.

(d) If the operator of a natural gas distribution system or a natural gas master meter system does not submit payment of the annual inspection fee to the Commission within 30 days of the due date, the Commission shall assess a late payment penalty of 10 percent of the total assessment due under subsection (b) or (c) of this section, as applicable, and shall notify the operator.

**Source Note:** The provisions of this §8.201 adopted to be effective September 8, 2003, 28 TexReg 7682; amended to be effective November 24, 2004, 29 TexReg 10733; amended to be effective May 15, 2005, 30 TexReg 2849; amended to be effective December 19, 2005, 30 TexReg 8428; amended to be effective April 18, 2007, 32 TexReg 2136; amended to be effective November 12, 2007, 32 TexReg 8121; amended to be effective September 21, 2009, 34 TexReg 6446

1. Continuity of Service

(A) Service Interruptions.

(i) Atmos Energy, West Texas Division will make all reasonable efforts to prevent interruptions of service. When interruptions occur, Atmos Energy, West Texas Division will reestablish service within the shortest possible time consistent with prudent operating principles so that the smallest numbers of customers are affected.

(ii) Atmos Energy, West Texas Division will make reasonable efforts to meet emergencies resulting from interruptions of service, and will issue instructions to its employees covering procedures to be followed in the event of an emergency in order to prevent or mitigate interruption or impairment of service.

(iii). In the event of national emergency or local disaster resulting in disruption of normal service, Atmos Energy, West Texas Division may, in the public interest, interrupt service to other customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.

(B) Record of interruption. Except for momentary interruptions which do not cause a major disruption of service, Atmos Energy, West Texas Division will keep a complete record of all interruptions, both emergency and scheduled. This record will show the cause of interruptions, date, time duration, location, approximate number of customers affected, and, in cases of emergency interruptions, the remedy and steps taken to prevent recurrence.

(C) Report to Commission. Atmos Energy, West Texas Division will notify the Railroad Commission in writing within 48 hours of interruptions in service affecting the entire system or any major division thereof, lasting more than four hours. The notice will also state the cause of such interruptions. If any service interruption is otherwise reported to the Commission (for example, as curtailment report or safety report), such other report will be intended to be sufficient to comply with the terms of this paragraph.

EFFECTIVE: October 4, 1988

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

2. Customer Relations

(A) Information to customers. Atmos Energy, West Texas Division will:

(i) maintain a current set of maps showing the physical locations of its facilities. All distribution facilities will be labeled to indicate the size and any pertinent information which will accurately describe the utility's facilities. These maps, or such other maps as may be required by the regulatory authority, will be kept by Atmos Energy, West Texas Division in a central location and will be available for inspection by the regulatory authority during normal working hours. Each business office or service center will have available up-to-date maps, or records of its immediate area, with other such information as may be necessary to enable Atmos Energy, West Texas Division to advise applicants and others entitled to the information as to the facilities available for serving the locality;

(ii) assist the customer or applicant in selecting the most economical rate schedule;

(iii) in compliance with applicable law or regulations, notify customers affected by a change in rates or schedule or classification;

(iv) post a notice in a conspicuous place in each business office of Atmos Energy, West Texas Division where applications for service are received informing the public that copies of the rate schedules and rules relating to the service of the utility as filed with the Commission are available for inspection;

(v) upon request, inform its customers as to the method of reading meters;

(vi) provide to new customers, at the time service is initiated or as an insert in the first billing, a pamphlet or information packet containing the following information, in English and Spanish:

(I) the customer's right to information concerning rates and services and the customer's right to inspect or obtain at reproduction cost a copy of the applicable tariffs and service rules;

(II) the customer's right to have his or her meter checked without charge under Section (7) of this Rule, if applicable;

(III) the time allowed to pay outstanding bills;

(IV) grounds for termination of service;

(V) the steps Atmos Energy, West Texas Division must take before terminating service;

(VI) how the Customer can resolve billing disputes with Atmos Energy, West Texas Division and how disputes and health emergencies may affect termination of service;

2. Customer Relations (continued)

(VII) information on alternative payment plans, if any, offered by Atmos Energy, West Texas Division;

(VIII) the steps necessary to have service reconnected after involuntary termination;

(IX) the appropriate regulatory authority with whom to register a complaint and how to contact such authority;

(X) the hours, addresses, and telephone numbers of utility offices where bills may be paid and information may be obtained; and

(XI) the customer's right to be instructed by Atmos Energy, West Texas Division how to read his or her meter.

(vii) at least once each calendar year, notify each customer that information is available upon request, at no charge to the customer, concerning the items listed in paragraph (vi) (I-IX) of this subsection. This notice may be accomplished by use of a billing insert or a printed statement upon the bill itself.

(B) Customer complaints. Upon complaint to Atmos Energy, West Texas Division by residential or small commercial customers either at its office, by letter, or by telephone, Atmos Energy, West Texas Division will promptly make a suitable investigation and advise the complainant of the results thereof. Atmos Energy, West Texas Division will keep a record of all complaints which will show the name and address of the complainant, the date and nature of the complaint, and the adjustment or disposition thereof for a period of one year subsequent to the final disposition of the complaint.

(C) Utility response. Upon receipt of a complaint, either by letter or by telephone, from the regulatory authority on behalf of a customer, Atmos Energy, West Texas Division will promptly make a suitable investigation and advise the regulatory authority and complainant of the results thereof. An initial response will be made by the next working day. Unless additional reply time is granted by the regulatory authority, Atmos Energy, West Texas Division will make a final and complete response within 15 days. The Commission encourages all customer complaints to be made in writing to assist the regulatory authority in maintaining records of the quality of service of each utility; however, telephone communications will be acceptable.

(D) Deferred payment plan. If a deferred payment plan for delinquent residential accounts is offered, it will conform to the following guidelines:

(i) Every deferred payment plan entered into due to the customer's inability to pay the outstanding bill in full must provide that service will not be discontinued if the customer pays current bills and a reasonable amount of the outstanding bill and agrees to pay the balance in reasonable installments until the bill is paid.

2. Customer Relations (continued)

(ii) For purposes of determining reasonableness under these rules, the following shall be considered: size of delinquent account; customer's ability to pay; customer's payment history; time that the debt has been outstanding; reasons why debt has been outstanding; and other relevant factors concerning the circumstances of the customer.

(iii) A deferred payment plan, if reduced to writing, offered by Atmos Energy, West Texas Division will state, immediately preceding the space provided for the customer's signature and in bold-face print at least two sizes larger than any other used, that: "If you are not satisfied with this agreement, do not sign. If you are satisfied with this agreement, you give up your right to dispute the amount due under the agreement except for the utility's failure or refusal to comply with the terms of this agreement."

(iv) A deferred payment plan if offered at all, may include a one-time 5.0% penalty for late payment on the gross amount of the outstanding bill with no prompt payment discount allowed except in cases where the outstanding bill is unusually high as a result of the utility's error (such as an inaccurately estimated bill or an incorrectly read meter). A deferred payment plan will not include a finance charge.

(v) If a customer for utility service has not fulfilled terms of a deferred payment agreement or refuses to sign the same if it is reduced to writing, Atmos Energy, West Texas Division will have the right to disconnect pursuant to disconnection rules herein, and under such circumstances, it shall not be required to offer a subsequent negotiation of a deferred payment agreement prior to disconnection.

(E) Delayed payment of bills by elderly persons.

(i) Applicability. This subparagraph applies only to:

(I) a utility that assesses late payment charges on residential customers and that suspends service before the 26<sup>th</sup> day after the date of the bill for which collection action is taken;

(II) utility bills issued on or after August 30, 1993; and

(III) an elderly person, as defined in clause (ii) of this subparagraph, who is a residential customer and who occupies the entire premises for which a delay is requested.

(ii) Definitions.

(I) Elderly person – A person who is 60 years of age or older

EFFECTIVE: October 4, 1988

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

2. Customer Relations (continued)

(ii) Definitions - continued

(II) Utility – A gas utility or municipally owned utility as defined in Texas Utilities Code, 101.003(7), 101.003(8), and 121.001 – 121.006.

(iii) An elderly person may request that the utility implement the delay for either the most recent utility bill or for the most recent utility bill and each subsequent utility bill.

(iv) On request of an elderly person, a utility shall delay without penalty the payment date of a bill for providing utility services to that person until the 25<sup>th</sup> day after the date on which the bill is issued.

(v) Atmos Energy, West Texas Division may require the requesting person to present reasonable proof that the person is 60 years of age or older.

(vi) Every utility shall notify its customers of this delayed payment option no less often than yearly. A utility may include this notice with other information provided pursuant to subparagraph (A) of this paragraph.

EFFECTIVE: October 4, 1988

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

3. Refusal of Service

(A) Compliance by applicant. Atmos Energy, West Texas Division may decline to serve an applicant for whom service is available from previously installed facilities until such applicant has complied with applicable state and municipal regulations and approved rules and regulations and tariff provisions of Atmos Energy, West Texas Division on file with the Commission governing the service applied for or for any of the following reasons:

- (i) Applicant's facilities inadequate. If the applicant's installation, equipment or possible misuse of gas service is believed to be hazardous or of such character that satisfactory service cannot be given.
- (ii) For indebtedness. If the applicant is indebted to any utility for the same kind of service as that applied for; provided, however, that in the event the indebtedness of the applicant for service is in dispute, the applicant shall be served upon complying with the applicable deposit requirement.
- (iii) Refusal to make deposit. For refusal to make a deposit if applicant is required to make a deposit under these rules.

(B) Applicant's recourse. In the event that Atmos Energy, West Texas Division refuses to serve an applicant under the provisions of these rules, Atmos Energy, West Texas Division will inform the applicant of the basis of its refusal and that the applicant may file a complaint with the municipal regulatory authority or commission, whichever is appropriate.

(C) Insufficient grounds for refusal to serve. The following do not constitute sufficient cause for refusal of service to a present customer or applicant:

- (i) Delinquency in payment for service by a previous occupant of the premises to be served.
- (ii) Failure to pay for merchandise or charges for non-utility service purchased from Atmos West Texas.
- (iii) Failure to pay a bill to correct previous under billing due to misapplication of rates more than six months prior to the date of application;
- (iv) Violation of Atmos Energy, West Texas Division' rules pertaining to operating of nonstandard equipment or unauthorized attachments which interfere with the service of others unless the customer has first been notified and been afforded reasonable opportunity to comply with these rules. [Please see 4(D)(ii) below]
- (v) Failure to pay a bill of another customer as guarantor thereof unless the guaranty was made in writing to the utility as a condition precedent to service.
- (vi) Failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

EFFECTIVE: October 4, 1988

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

4. Discontinuance of Service

(A) The due date of the bill for utility service will not be less than 15 days after issuance, or such other period of time as may be provided by order of the regulatory authority. A bill for utility service is delinquent if unpaid by the due date.

(B) Atmos Energy, West Texas Division may offer an inducement for prompt payment of bills by allowing a discount in the amount of five percent (or such other amount as allowed by the appropriate regulatory authority) for payment of bills within 10 days after their issuance. This provision shall not apply where it conflicts with existing orders or ordinances of the appropriate regulatory authority.

(C) A customer's utility service may be disconnected if the bill has not been paid or a deferred payment plan pursuant to (2) (D) above has not been entered into within five working days after the bill has become delinquent and proper notice has been given. Proper notice consists of a deposit in the United States mail, postage prepaid, or hand delivery to the customer at least five working days prior to the stated date of disconnection, with the words "Termination Notice" or similar language prominently displayed on the notice. The notice will be provided in English and Spanish as necessary to adequately inform the customer, and will include the date of termination, the hours, address, and telephone number where payment may be made, and a statement that if a health or other emergency exists, Atmos Energy, West Texas Division may be contacted concerning the nature of the emergency and the relief available, if any, to meet such emergency.

(D) Utility service may be disconnected for any of the following reasons:

(i) Failure to pay a delinquent account or failure to comply with the terms of a deferred payment plan for installment payment of a delinquent account.

(ii) Violation of Atmos Energy, West Texas Division' rules pertaining to the use of service or in a manner which interfered with the service of others or the operation of nonstandard equipment, if a reasonable attempt has been made to notify the customer and the customer is provided with a reasonable opportunity to remedy the situation.

(iii) Failure to comply with the deposit or guarantee arrangements required by paragraph (5) of this subsection.

(iv) Without notice where a known dangerous condition exists, for as long as the condition exists.

(v) Tampering with Atmos Energy, West Texas Division' meter or equipment or bypassing the same.

(vi) And any other reason not prohibited by the following Subsection (E) or by orders or rules of the regulatory authority.

EFFECTIVE: October 4, 1988

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

4. Discontinuance of Service (continued)

(E) Utility service may not be disconnected for any of the following reasons:

(i) Delinquency in payment for service by a previous occupant of the premises.

(ii) Failure to pay for merchandise or charges for non-utility service by Atmos Energy, West Texas Division.

(iii) Failure to pay for a different type or class of utility service unless fee for such service is or could have been included on same bill.

(iv) Failure to pay the account of another customer as guarantor thereof, unless the utility has in writing the guarantee as a condition precedent to service.

(v) Failure to pay charges arising from an under billing occurring due to any misapplication of rates more than six months prior to the current billings.

(vi) Failure to pay charges arising from an under billing due to any faulty metering, unless the meter has been tampered with or unless such under billing charges are due.

(vii) Failure to pay an estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless Atmos Energy, West Texas Division was unable to read the meter due to circumstances beyond its control.

(F) Unless a dangerous or potentially fraudulent condition exists, or unless the customer request disconnection, service will not be disconnected on a day, or on a day immediately preceding a day, when Atmos Energy, West Texas Division personnel are not available to the public for the purpose of making collections and reconnecting service.

(G) The Railroad Commission maintains that Atmos Energy, West Texas Division may not abandon a customer without written approval from the regulatory authority.

(H) Atmos Energy, West Texas Division will not discontinue service to a delinquent residential customer permanently residing in an individually metered dwelling unit when that customer established that discontinuance of service will result in some person residing at that residence becoming seriously ill if service is discontinued. Any customer seeking to avoid termination of service under this section must make a written request supported by a written statement from a licensed physician. Both the request and the statement must be received by Atmos Energy, West Texas Division not more than five working days after the date of delinquency of the bill. The prohibition against service termination provided by this section will last twenty days from the date of receipt by Atmos Energy, West Texas Division of the request and statement or such lesser period as may be agreed upon by Atmos Energy, West Texas Division and the customer. The customer who makes such request shall sign an installment agreement which provides for such service contingent upon timely payment for subsequent monthly billings.

EFFECTIVE: October 4, 1988

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

4. Discontinuance of Service (continued)

(I) Suspension of Gas Utility Service Disconnection during an Extreme Weather Emergency

(A) Applicability and scope. This rule applies to gas utilities, as defined in Texas Utilities Code, §101.003(7) and §121.001, and to owners, operators, and managers of mobile home parks or apartment houses who purchase natural gas through a master meter for delivery to a dwelling unit in a mobile home park or apartment house, pursuant to Texas Utilities Code, §§124.001-124.002, within the jurisdiction of the Railroad Commission pursuant to Texas Utilities Code, §102.001. For purposes of this section, all such gas utilities and owners, operators and managers of master meter systems shall be referred to as "providers." Providers shall comply with the following service standards. A gas distribution utility shall file amended service rules incorporating these standards with the Railroad Commission in the manner prescribed by law.

(B) Disconnection prohibited. Except where there is a known dangerous condition or a use of natural gas service in a manner that is dangerous or unreasonably interferes with service to others, a provider shall not disconnect natural gas service to:

(1) a delinquent residential customer during an extreme weather emergency. An extreme weather emergency means a day when the previous day's highest temperature did not exceed 32 degrees Fahrenheit and the temperature is predicted to remain at or below that level for the next 24 hours according to the nearest National Weather Station for the county where the customer takes service.

(2) a delinquent residential customer for a billing period in which the provider receives a written pledge, letter of intent, purchase order, or other written notification from an energy assistance provider that it is forwarding sufficient payment to continue service; or

(3) a delinquent residential customer on a weekend day, unless personnel or agents of the provider are available for the purpose of receiving payment or making collections and reconnecting service.

(C) Payment plans. Providers shall defer collection of the full payment of bills that are due during an extreme weather emergency until after the emergency is over, and shall work with customers to establish a payment schedule for deferred bills as set forth in paragraph (2)(D) of §7.45 of this title, relating to Quality of Service.

(D) Notice. Beginning in the September or October billing periods utilities and owners, operators, or managers of master metered systems shall give notice as follows:

(1) Each utility shall provide a copy of this rule to the social services agencies that distribute funds from the Low Income Home Energy Assistance Program within the utility's service area.

(2) Each utility shall provide a copy of this rule to any other social service agency of which the provider is aware that provides financial assistance to low income customers in the utility's service area.

EFFECTIVE: October 4, 1988

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

4. Discontinuance of Service (continued)

(3) Each utility shall provide a copy of this rule to all residential customers of the utility and customers who are owners, operators, or managers of master metered systems.

(4) Owners, operators, or managers of master metered systems shall provide a copy of this rule to all of their customers.

(E) In addition to the minimum standards specified in this section, providers may adopt additional or alternative requirements if the provider files a tariff with the Commission pursuant to §7.44 of this title (relating to Filing of Tariffs). The Commission shall review the tariff to ensure that at least the minimum standards of this section are met.

EFFECTIVE: October 4, 1988

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

5. Applicant Deposit

(A) Establishment of credit for residential applicants. Atmos Energy, West Texas Division may require a residential applicant for service to satisfactorily establish credit but such establishment of credit shall not relieve the customer from complying with rules for prompt payment of bills. Subject to these rules, a residential applicant will not be required to pay a deposit:

(i) if the residential applicant has been a customer of any utility for the same kind of service within the last two years and is not delinquent in payment of any such utility service account and during the last 12 consecutive months of service did not have more than one occasion in which a bill for such utility service was paid after becoming delinquent and never had service disconnected for nonpayment.

(ii) if the residential applicant furnishes in writing a satisfactory guarantee to secure payment of bills for other service required; or

(iii) if the residential applicant furnishes in writing a satisfactory credit rating by appropriate means, including but not limited to the production of generally acceptable credit cards, letters of credit reference, the names of credit references which may be quickly and inexpensively contacted by Atmos Energy, West Texas Division, or ownership of substantial equity.

(B) Reestablishment of credit. Every applicant who has previously been a customer of Atmos Energy, West Texas Division and whose service has been discontinued for nonpayment of bills shall be required before service is rendered to pay all amounts owed to Atmos Energy, West Texas Division by the customer or execute a written deferred payment agreement, if offered, and reestablish credit as provided in subparagraph (A) of this part.

(C) Amount of deposit and interest for residential service, and exemption from deposit.

(i) The required deposit will not exceed an amount equivalent to 1/6 of the estimated annual billings. Unless otherwise shown by the applicant, it shall be assumed that a deposit of \$50.00 satisfies the requirements of the preceding sentence. However, if actual use is at least twice the amount of the estimated billings, a new deposit requirement may be calculated and an additional deposit may be required within two days. If such additional deposit is not made, Atmos Energy, West Texas Division may disconnect service under the standard disconnection procedure for failure to comply with deposit requirements.

(ii) All applicants for residential service who are 65 years of age or older will be considered as having established credit if such applicant does not have an outstanding account balance with Atmos Energy, West Texas Division or another utility for the same utility service which accrued within the last two years. No cash deposit shall be required of such applicant under these conditions.

EFFECTIVE: October 4, 1988

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

5. Applicant Deposit (continued)

(iii) Atmos Energy, West Texas Division will pay a minimum interest on such deposits according to the rate as established by law. If refund of deposit is made within 30 days of receipt of deposit, no interest payment is required. If the utility retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit.

(I) Payment of interest to the customer will be annually or at the time the deposit is returned or credited to the customer's account.

(II) The deposit shall cease to draw interest on the date it is returned or credited to the customers account.

(iv) Atmos Energy, West Texas Division shall waive any deposit requirement for residential service for an applicant who has been determined to be a victim of family violence as defined in Texas Family Code, §71.004, by a family violence center, by treating medical personnel, by law enforcement agency personnel, or by a designee of the Attorney General in the Crime Victim Services Division of the Office of the Attorney General. This determination shall be evidenced by the applicant's submission of a certification letter developed by the Texas Council on Family Violence and made available on its web site.

(D) Deposits for temporary or seasonal service and for temporary, weekend or seasonal residences. Atmos Energy, West Texas Division may require a deposit sufficient to reasonably protect it against the risk exposure, provided such a policy is applied in a uniform and nondiscriminatory manner.

(E) Records of deposits.

(i) Atmos Energy, West Texas Division shall keep records to show:

(I) the name and address of each depositor;

(II) the amount and date of the deposit; and

(III) each transaction concerning the deposit.

(ii) Atmos Energy, West Texas Division will issue a receipt of deposit to each applicant from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is lost.

(iii) A record of each unclaimed deposit will be maintained for at least four years, during which time Atmos Energy, West Texas Division will make a reasonable effort to return the deposit.

EFFECTIVE: October 4, 1988

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

5. Applicant Deposit (continued)

(F) Refund of deposit.

(i) If service is not connected or after disconnection of service, Atmos Energy, West Texas Division will promptly and automatically refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. The transfer of service from one premise to another within Atmos Energy, West Texas Division' service area will not be deemed a disconnection within the meaning of these rules, and no additional deposit may be demanded unless permitted by these rules.

(ii) When the customer has paid bills for 12 consecutive residential bills without having service disconnected for nonpayment of bill and without having more than two occasions in which a bill was delinquent and when the customer is not delinquent in the payment of the current bill, Atmos Energy, West Texas Division will promptly and automatically refund the deposit plus accrued interest to the customer in the form of cash or credit to a customer's account.

(G) Upon sale or transfer of utility or company. Atmos Energy, West Texas Division will comply with Railroad Commission regulations which provide that upon the sale or transfer of any public utility or operating units thereof, the seller shall file with the Commission under oath, in addition to other information, a list showing the names and addresses of all customers served by such utility or units thereof who have to their credit a deposit, the date such deposit was made, the amount thereof, and the unpaid interest thereon.

(H) Complaint by applicant or customer. Atmos Energy, West Texas Division will direct its personnel engaged in initial contact with customer or applicant for service seeking to establish or reestablish credit under the provisions of these rules to inform the customer, if dissatisfaction is expressed with the utility's decision, of the customer's right to file a complaint with the regulatory authority.

6. Billing

(A) Bills for gas service will be rendered monthly, unless otherwise authorized or unless service is rendered for a period less than a month. Bills will be rendered as promptly as possible following the reading meters.

(B) The customer's bill will show all the following information. The information will be arranged and displayed in such a manner as to allow the customer to compute his bill with the applicable rate schedule. The applicable rate schedule will be mailed to the customer on request of the customer.

- (i) If the meter is read by Atmos Energy, West Texas Division, the date and reading of the meter at the beginning and end of the period for which rendered.
- (ii) The number and kind of units billed.
- (iii) The applicable rate schedule title or code.
- (iv) The total base bill.
- (v) The total of any adjustments to the base bill and the amount of adjustments per billing unit.
- (vi) The date by which the customer must pay the bill to get prompt payment discount.
- (vii) The total amount due before and after any discount for prompt payment within a designated period
- (viii) A distinct marking to identify an estimated bill.

(C) Where there is a good reason for doing so, estimated bills may be submitted, provided that an actual meter reading is taken at least every six months, if possible. For the second consecutive month in which the meter reader is unable to gain access to the premises to read the meter on regular meter reading trips, or in months where meters are not read otherwise, Atmos Energy, West Texas Division will provide the customers with a postcard and request that the customer read the meter and return the card to Atmos Energy, West Texas Division if the meter is of a type that can be read by the customer without significant inconvenience or special tools or equipment. If such a postcard is not received by Atmos Energy, West Texas Division in time for billing, Atmos Energy, West Texas Division may estimate the meter reading and render the bill accordingly.

(D) Disputed bills.

- (i) In the event of a dispute between the customer and Atmos Energy, West Texas Division regarding the bill, Atmos Energy, West Texas Division will make such investigation as is required by the particular case and report the results to the customer. If the customer wishes to obtain the benefits of subsection (ii) hereunder, notification of the dispute must be given to

6. Billing (continued)

Atmos Energy, West Texas Division before the date the bill becomes delinquent. In the event the dispute is not resolved, Atmos Energy, West Texas Division will inform the customer of the complaint procedures of the appropriate regulatory authority.

(ii) Notwithstanding any other subsection of this section, the customer will not be required to pay the disputed portion of the bill which exceeds the amount of that customer's average usage for the billing period at current rates until the earlier of the following: (1) resolution of the dispute, (2) the expiration of the sixty day period beginning on the day the disputed bill is issued. For purposes of this section only, the customer's average usage for the billing period shall be the average of the customer's usage for the same billing period during the preceding two years. Where no previous usage history exists, the average usage shall be estimated on the basis of usage levels of similar customers and under similar conditions.

EFFECTIVE: October 4, 1988

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

7. Meters

(A) Meter requirements.

(i) Use of meter. All gas sold by Atmos Energy, West Texas Division will be charged for by meter measurements, except where otherwise provided for by applicable law, regulation of the regulatory authority, or tariff.

(ii) Installation by utility. Unless otherwise authorized by the regulatory authority, Atmos Energy, West Texas Division will provide, install and continue to own and maintain all meters necessary for measurement of gas delivered to its customers.

(iii) Standard type. Atmos Energy, West Texas Division will not furnish, set up, or put in use any meter which is not reliable and of a standard type which meets generally accepted industry standards; provided, however, special meters not necessarily conforming to such standard types may be used for investigation, testing, or experimental purposes.

(iv) Access to premises. Atmos Energy, West Texas Division' representatives shall have the right at all reasonable hours to enter upon the premises and property of a customer to read the meter, to remove, to inspect, or to make necessary repairs and adjustments to, or replacements of, service lines, meter loop, and any property of the utility located thereon, and for any other purpose connected with the utility's operation. The Atmos Energy, West Texas Division representative shall have the right at all time to enter upon the premises and property of the customer in emergencies pertaining to the company's service. All animals which might hinder the performance of such operations on the customer's property shall be kept away from such operations by the customer upon notice by Atmos Energy, West Texas Division' representatives of their intention to enter upon the customer's premises.

(B) Meter records. Atmos Energy, West Texas Division will keep the following records:

(i) Meter equipment records. Atmos Energy, West Texas Division will keep a record of all of its meters, showing the customer's address and the date of the last test.

(ii) Records of meter tests. All meter tests will be properly referenced to the meter record provided for therein. The record of each test made on request of a customer will show the identifying number and constants of the meter, the standard meter and other measuring devices used, the date and kind of test made, by whom made, the error (or percentage of accuracy) at each load tested, and sufficient data to permit verification of all calculations.

(iii) Meter units of service. In general, each meter will indicate clearly the units of service for which charge is made to the customer.

(iv) Meter tests on request of customer.

7. Meters (continued)

(I) Upon request of a customer, Atmos Energy, West Texas Division will make a test of the accuracy of the meter serving that customer. Atmos Energy, West Texas Division will advise the customer that they may be present at the time and place of the test and arrange a schedule to permit the customer or his authorized representative to witness the test if the customer so desires. If no such test has been performed within the previous four years for the same customer at the same location, the test is to be performed without charge. If such a test has been performed for the same customer at the same location within the previous four years, Atmos Energy, West Texas Division may charge a fee for the test not to exceed \$15 or such other fee for the testing of meters as may be set forth in the utility's tariff properly on file with the regulatory authority. The customer will be informed of the result of any test on a meter that serves him or her.

(II) Notwithstanding sub clause (I) of this clause, if the meter is found to be more than normally defective, to either the customer's or Atmos Energy, West Texas Division' disadvantage, any fee charged for the meter test will be refunded to the customer. More than nominally defective means a deviation of more than 2.0% from accurate registration.

(V) Bill adjustments due to meter error.

(I) If any meter test reveals a meter to be more than nominally defective, Atmos Energy, West Texas Division must correct previous readings consistent with the inaccuracy found in the meter for the period of either:

(a) the last six months; or

(b) the time since the last test of the meter, whichever is shorter. Any resulting under billings or over billings is to be corrected in subsequent bills, unless service is terminated in which event a monetary adjustments to be made. This requirement for a correction may be foregone by Atmos Energy, West Texas Division if the error is to the utility's disadvantage.

(II) If a meter is found not to register for any period of time, Atmos Energy, West Texas Division may make a charge for units used but not metered for a period not to exceed three months previous to the time the meter is found not to be registering. The determination of amounts used but not metered is to be based on consumption during other like periods by the same customer at the same location, when available, and on consumption under similar conditions at the same location or of other similarly situated customers, when not available.

EFFECTIVE: October 4, 1988

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

8. New Construction

(A) Standards of construction. Atmos Energy, West Texas Division will endeavor to construct, install, operate, and maintain its plant, structures, equipment, and lines in accordance with the provisions of such codes and standards as are generally accepted by the industry, as modified by rule or regulation of the regulatory authority or otherwise by law and in such manner to best accommodate the public and to prevent interference with service furnished by other public utilities insofar as practical.

(B) Line extension and construction charge. Atmos Energy, West Texas Division may require, on a non-discriminatory basis, pre-payment, reimbursement, or adequate security for all costs (including, but not limited to, materials, labor, allocated overhead, permit costs and right-of-way acquisition costs) of extending its existing pipeline system to serve a new customer to the extent that extension would exceed the following applicable distance:

City Franchise Main Extension Allowances  
Amarillo System - 100 Feet  
West Texas and Ozona Systems - 75 Feet  
Dalhart/Channing System - 150 Feet  
Fritch/Sanford System - 150 Feet

Atmos Energy, West Texas Division reserves the sole discretion to designate the routes of all new extensions and the construction materials and manner of fabrication and installation. Atmos Energy, West Texas Division may, on a non-discriminatory basis, provide for refunds, credits or security releases based upon factors such as additional customers subsequently attaching, the level of sales experienced through the new facility, or other criteria chosen by Atmos Energy, West Texas Division. Atmos Energy, West Texas Division may apply similar cost responsibility and arrangements to a customer requesting an increase in the capacity of existing Atmos Energy, West Texas Division facilities to accommodate an increase in the customer's service requirements.

(C) Response to request for service. Atmos Energy, West Texas Division will endeavor to serve each qualified applicant for service within its service area as rapidly as practical. As a general policy, those applications not involving line extensions or new facilities should be filled within seven working days. Those applications for individual residential service requiring line extensions should be filled within 90 days unless unavailability of materials or other causes beyond the control of Atmos Energy, West Texas Division result in unavoidable delays. In the event that residential service is delayed in excess of 90 days after an applicant has met credit requirements and made satisfactory arrangements for payment of any required construction charges, a report will be made to the regulatory authority listing the name of the applicant, location, and cause for delay. If such delays are due to causes which are reasonably beyond the control of Atmos Energy, West Texas Division, a delay in excess of 90 days will not constitute a refusal to serve.

EFFECTIVE: October 4, 1988

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**Other Service Charges – ICL**

**Page 113**

Amarillo Service Charge

DURING BUSINESS HOURS:

Turn on new service with meter set	\$40.00
Turn on service (shut-in test required)	\$30.00
Turn on service and miscellaneous service calls (meter read only required)	\$10.00
Reconnect delinquent service or service temporarily off at customer's request	\$40.00

AFTER HOURS:

Turn on new service with meter set	\$60.00
Turn on service (shut-in test required)	\$45.00
Turn on service and miscellaneous service calls (meter read only required)	\$15.00
Reconnect delinquent service or service temporarily off at customer's request	\$60.00

DISHONORED CHECK CHARGE	\$25.00
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EFFECTIVE: January 1, 2000

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**Other Service Charges – OCL**

**Page 114**

Amarillo Service Charge

DURING BUSINESS HOURS:

Turn on new service with meter set	\$40.00
Turn on service (shut-in test required)	\$30.00
Turn on service and miscellaneous service calls (meter read only required)	\$10.00
Reconnect delinquent service or service temporarily off at customer's request	\$40.00

AFTER HOURS:

Turn on new service with meter set	\$60.00
Turn on service (shut-in test required)	\$45.00
Turn on service and miscellaneous service calls (meter read only required)	\$15.00
Reconnect delinquent service or service temporarily off at customer's request	\$60.00

DISHONORED CHECK CHARGE	\$25.00
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EFFECTIVE: July 1, 2000

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**Other Service Charges – ICL**

Dalhart, Fritch-Sanford Service Charge

DURING BUSINESS HOURS:

Turn on new service with meter set	\$18.00
Turn on service (shut-in test required)	\$15.50
Turn on service and miscellaneous service calls (meter read only required)	\$ 8.00
Reconnect delinquent service or service temporarily off at customer's request	\$23.50

AFTER HOURS:

Turn on new service with meter set	\$27.00
Turn on service (shut-in test required)	\$23.25
Turn on service and miscellaneous service calls (meter read only required)	\$12.00
Reconnect delinquent service or service temporarily off at customer's request	\$35.25

DISHONORED CHECK CHARGE	\$15.00
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EFFECTIVE: June 25, 1991

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**Other Service Charges – OCL**

Dalhart, Fritch-Sanford Service Charge

DURING BUSINESS HOURS:

Turn on new service with meter set	\$18.00
Turn on service (shut-in test required)	\$15.50
Turn on service and miscellaneous service calls (meter read only required)	\$ 8.00
Reconnect delinquent service or service temporarily off at customer's request	\$23.50

AFTER HOURS:

Turn on new service with meter set	\$18.00
Turn on service (shut-in test required)	\$15.50
Turn on service and miscellaneous service calls (meter read only required)	\$ 8.00
Reconnect delinquent service or service temporarily off at customer's request	\$35.25

DISHONORED CHECK CHARGE	\$15.00
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EFFECTIVE: September 17, 1991

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**Other Service Charges – ICL**

West Texas Service Charge

**DURING BUSINESS HOURS:**

Turn on new service with meter set	\$32.00
Turn on service (shut-in test required)	\$23.50
Turn on service (meter read only required)	\$15.00
Miscellaneous service charge calls	\$11.25
Reconnect delinquent service or service temporarily off at customer's request	\$37.50

**AFTER BUSINESS HOURS:**

Turn on new service with meter set	\$48.00
Turn on service (shut-in test required)	\$35.25
Turn on service (meter read only required)	\$22.50
Miscellaneous service charge calls	\$16.88
Reconnect delinquent service or service temporarily off at customer's request	\$56.25

<b>DISHONORED CHECK CHARGE</b>	<b>\$25.00</b>
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EFFECTIVE: January 10, 2003

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**Other Service Charges – OCL**

West Texas Service Charge

**DURING BUSINESS HOURS:**

Turn on new service with meter set	\$32.00
Turn on service (shut-in test required)	\$23.50
Turn on service (meter read only required)	\$15.00
Miscellaneous service charge calls	\$11.25
Reconnect delinquent service or service temporarily off at customer's request	\$37.50

**AFTER BUSINESS HOURS:**

Turn on new service with meter set	\$48.00
Turn on service (shut-in test required)	\$35.25
Turn on service (meter read only required)	\$22.50
Miscellaneous service charge calls	\$16.88
Reconnect delinquent service or service temporarily off at customer's request	\$56.25

<b>DISHONORED CHECK CHARGE</b>	<b>\$25.00</b>
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EFFECTIVE: July 11, 2005

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**Other Service Charges – ICL**

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Lubbock Service Charge

DURING BUSINESS HOURS:

Turn on new service with meter set	\$32.00
Turn on service (shut-in test required)	\$23.50
Turn on service (meter read only required)	\$15.00
Miscellaneous service charge calls	\$11.25
Reconnect delinquent service or service temporarily off at customer's request	\$37.50

AFTER HOURS:

Turn on new service with meter set	\$48.00
Turn on service (shut-in test required)	\$35.25
Turn on service (meter read only required)	\$22.50
Miscellaneous service charge calls	\$16.88
Reconnect delinquent service or service temporarily off at customer's request	\$56.25

DISHONORED CHECK CHARGE	\$25.00
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EFFECTIVE: April 10, 2003

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**Other Service Charges – OCL**

Lubbock Service Charge

DURING BUSINESS HOURS:

Turn on new service with meter set	\$32.00
Turn on service (shut-in test required)	\$23.50
Turn on service (meter read only required)	\$15.00
Miscellaneous service charge calls	\$11.25
Reconnect delinquent service or service temporarily off at customer's request	\$37.50

AFTER HOURS:

Turn on new service with meter set	\$48.00
Turn on service (shut-in test required)	\$35.25
Turn on service (meter read only required)	\$22.50
Miscellaneous service charge calls	\$16.88
Reconnect delinquent service or service temporarily off at customer's request	\$56.25

DISHONORED CHECK CHARGE	\$25.00
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**ATMOS ENERGY CORPORATION**  
**Other Service Charges**

**Page 121**

Dimmit Service Charge

DURING BUSINESS HOURS:

Turn on new service with meter set	\$32.00
Turn on service (shut-in test required)	\$23.50
Turn on service and miscellaneous service calls (meter read only required)	\$15.00
Reconnect delinquent service or service temporarily off at customer's request	\$37.50

AFTER HOURS:

Turn on new service with meter set	\$48.00
Turn on service (shut-in test required)	\$35.25
Turn on service and miscellaneous service calls (meter read only required)	\$22.50
Reconnect delinquent service or service temporarily off at customer's request	\$56.25

DISHONORED CHECK CHARGE	\$25.00
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EFFECTIVE: February 3, 2003

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

Security Deposit

No security deposit will be required of a new customer who establishes satisfactory credit pursuant to the Company's Rules of Service. Each time service has been disconnected for non-payment or tampering, a deposit must precede each reconnection. The initial deposit shall be for an amount not to exceed one sixth (1/6) of expected annual usage but not less than \$50.00. Service will not be reconnected until the deposit or additional deposit is tendered and all arrearages, charges and damages due to the Company are paid or otherwise satisfactorily secured.

EFFECTIVE: January 1, 2001

ISSUED BY: C.W. Guy, Vice President-Rates & Regulatory Affairs

**ATMOS ENERGY CORPORATION**  
**Other Service Charges**

Optional Budget Bill

**AVAILABILITY:** This alternative payment plan is available to any residential or small commercial customer with a satisfactory payment/credit record. This payment plan will not affect the rate applied to a customer's service, but will moderate seasonal differences in the customer's monthly bills.

**PROCEDURE:** Any eligible customer may elect the Budget Billing Plan by notifying the Company. Each bill will be an average of the customer's expected usage divided by the number of months in the respective Budget Billing year. The Budget Billing year will close each April with reconciliation between amounts owed to the Company and amounts billed to the customer. Differences of less than \$5.00 will be carried forward into the following Budget Billing year. Larger differences will be billed, credited or refunded during the next billing period. An adjustment in the billing level may occur during the Budget Billing year when appropriate to recognize changes in rates or expected gas usage. A customer's account will revert to standard billing upon failure to promptly pay billed amount.

**EFFECTIVE:** May 1, 1992

**ISSUED BY:** C.W. Guy, Vice President-Rates & Regulatory Affairs