

DISK FILED

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

* * * * *

IN THE MATTER OF ADVICE LETTER NO. 467)
FILED BY ATMOS ENERGY CORPORATION)
TO PLACE INTO EFFECT TARIFF RATE)
CHANGES TO BECOME EFFECTIVE)
ON AUGUST 12, 2009.)

DOCKET NO. 09AL-507G

ALJ Adams
Energy (5)
Adv (3)

STIPULATION AND AGREEMENT
IN RESOLUTION OF PROCEEDING



This Stipulation and Agreement in Resolution of Proceeding ("Stipulation") is entered into by and among Atmos Energy Corporation ("Atmos" or "Company"), the Staff of the Public Utilities Commission of the State of Colorado ("Staff") the Colorado Office of Consumer Counsel ("OCC") and Seminole Energy Services, LLC ("Seminole"). Counsel for Atmos is authorized to state that Persolite Products, Inc ("Persolite") and Energy Outreach Colorado do not oppose the terms of this Agreement or the Commission's approval thereof. Atmos, Staff, the OCC and Seminole are referred to herein collectively as "the Parties" and individually as a "Party." This Stipulation sets forth the terms and conditions by which the Parties have agreed to resolve all outstanding issues presented by the Company's July 8, 2009 advice letter filing that commenced this general rate case proceeding that have or could have been contested in this proceeding.

The Parties state that the results of the compromises reflected herein are a just and reasonable resolution of this gas rate case proceeding, that reaching agreement as set forth herein and implementation of the compromises and settlements reflected in this Stipulation

will result in savings to all concerned by establishing certainty and avoiding further litigation. Each party hereto pledges its support of this Stipulation and states that each will defend the settlement reached. The Parties respectfully request that the Public Utilities Commission of the State of Colorado ("Commission") approve this Stipulation, without modification.

I. BACKGROUND

- 1) On July 8, 2009, Atmos filed Advice Letter No. 467 and accompanying tariff sheets,¹ proposing, among other things, to implement revised base rates for its gas sales services for its Northeast, Northwest/Central, Southeast and Southwest service areas, to be effective August 12, 2009. The Commission in Decision No. C09-0823, adopted July 29, 2009, suspended the effective date of the proposed tariffs and setting the matter for hearing. In addition, Decision No. C09-0823 established the intervention period, as well as certain other procedural dates governing this proceeding.
- 2) On July 24, 2009, the OCC filed its Protest and Request for Hearing relative to Advice Letter No. 467.
- 3) On August 4, 2009, presiding Administrative Law Judge G. Harris Adams issued Decision No. R09-0855-I establishing a procedural schedule and addressing certain procedural matters in this proceeding.
- 4) On August 7, 2009, presiding Administrative Law Judge issued Decision No. R09-0869-I setting dates for public hearings in this matter.

¹ The Company's filing also included supporting direct testimony and exhibits by Karen P. Wilkes, Joe T. Christian, Roger D. Colton, Robert B. Hervert, Thomas H. Petersen, John S. Ferguson, John C. Johnson, Robert E. Hassen and Barbara W. Myers.

5) On August 12, 2009, Staff filed its Notice of Intervention, Entry of Appearance, Notice Pursuant to Rule 1007(a) and Rule 1403(b) and Request for Hearing which was later amended on September 22, 2009 and October 20, 2009.

6) On August 21, 2009, the OCC filed its Notice of Intervention and Entry of Appearance in this proceeding.

7) On or about August 27, 2009, Energy Outreach Colorado filed its Motion to Intervene in this proceeding.

8) On or about August 28, 2009, Persolite and Seminole filed their Petition for Leave to Intervene in this proceeding.

9) On or about September 1, 2009, Staff filed its Motion for Modifications to Decision No. R09-0855-I. Thereafter, on September 9, 2009 Staff filed its amendment to such motion.

10) The OCC filed its response to Staff's motion on September 9, 2009. Atmos filed its response to Staff's motion, as amended, on September 11, 2009.

11) A prehearing conference was held in this matter on September 18, 2009, to consider Staff's motion to modify the procedural schedule established by Decision No. R09-0855-I. Thereafter, the Parties met to discuss a mutually agreeable procedural schedule.

12) Based on those discussions, on October 1, 2009, Atmos filed its Unopposed Motion to Modify Procedural Schedule Set Forth in Decision No. R09-0855-I.

13) On October 6, 2009, Atmos filed Advice Letter No. 467-Amended for the purpose of (i) extending the proposed effective date of the proposed rates in this proceeding from August 12, 2009 to October 12, 2009 in order to accommodate the Parties' agreed-upon

revised procedural schedule; and (ii) to remove the Company's proposed Low-Income Affordability Program as proposed by the Company in its initial filing.

14) On October 8, 2009, Atmos filed its Motion for Leave to Withdraw Low-Income Rate Affordability Program and Associated References Thereto From Advice Letter No. 467 and Supporting Testimony. In addition, Atmos also filed the Affidavit of Karen P. Wilkes setting forth the process by which Atmos provided notice of its filing in this proceeding to its customers.

15) On October 5 2009, presiding Administrative Law Judge G. Harris Adams issued Decision No. R09-1139-I wherein the ALJ vacated certain of the procedural dates set forth in Decision No. R09-0855-I and, in their place, approved the dates agreed upon by the Parties.

16) By Decision No. C09-1239-I, adopted October 29, 2009, presiding Administrative Law Judge G. Harris Adams granted Atmos' Motion to withdraw its proposed Low-Income Rate Affordability Program.

17) On October 29, 2009, presiding Administrative Law Judge G. Harris Adams issued Decision No. R09-1225-I further suspending the effective date of the tariffs accompanying Advice Letter No. 467-Amended to May 10, 2010.

18) During the past weeks, the Parties have met to discuss the possibility of settling this matter. Their discussions resulted in an agreement in principle being reached pursuant to which they agreed to the resolution of all issues which were or could have been raised in this proceeding.

19) On November 13, 2009, the Parties advised ALJ Adams of their settlement agreement in principle.

20) The Parties have now reduced their agreement in principle to a comprehensive settlement as reflected in this Stipulation.

21) This Stipulation incorporates by this reference the Stipulation Attachments A through F, appended hereto, which are provided as documentary support for this Stipulation and Agreement and are identified as follows:

Stipulation Attachment A	-	Settled Revenue Requirement Study
Stipulation Attachment B	-	Summary of Settled Revenue Requirements Issues
Stipulation Attachment C	-	Settlement Tariff Sheets
Stipulation Attachment D	-	Rate Comparisons – Present and Settled; Bill Impacts
Stipulation Attachment E	-	Summary of Depreciation Expense
Stipulation Attachment F	-	Terms and Conditions of Automated Meter Infrastructure Pilot Program

II. TERMS OF SETTLEMENT

A. Revenue Requirement

The Parties have agreed upon an annual increase to the Company's revenue requirement of approximately \$1,708,268 (see Attachment A line 12), in addition to recovery of bad debt expense related to written off gas costs to the Gas Cost Adjustment ("GCA") of

approximately \$263,828 (see Attachment A line 10) annually, for a total annual revenue requirement increase of \$1,972,095. This agree-upon increase in the Company's revenue requirement is 50% lower than the Company's original filing of approximately \$3,933,659. The Parties have agreed to the specific resolution of disputed issues concerning calculation of the Company's revenue requirement as more particularly set forth in Sections II. A. 1. through II. A. 10 below. A numeric summary of the agreed-upon resolution of the various issues and their corresponding effect upon calculation of the revenue requirement is set forth in Stipulation Attachment B. For the purpose of determining the Company's annual revenue requirement, to the extent an issue is not specifically addressed in this Stipulation or detailed in the supporting materials in Stipulation Attachment B, the Parties agree to implementation of the Company's proposal as to any such issue, as reflected in the Company's rate case as originally filed on July 8, 2009.

1. Rate of Return on Equity

Background. Atmos witness Hevert presented direct testimony in support of Atmos' proposed authorized rate of return on equity ("ROE") of 11.25%. During settlement discussions, the OCC and Staff objected to the Company's proposed ROE, arguing instead that market conditions warranted a ROE percentage substantially lower than 11.25%.

Resolution. For purposes of settlement, the Parties agree that an authorized ROE of 10.25% for Atmos should be approved.

2. Cost of Debt

Background. Atmos witness Hevert presented testimony regarding the Company's cost of debt analysis, which incorporated Atmos' weighted average cost of debt at December

31, 2008, as adjusted for known and measurable changes.² Neither Staff nor the OCC took exception to the use of such weighted average cost of debt for purposes of developing the revenue requirement in this proceeding.

Resolution. For purposes of settlement, the Parties agree that Atmos' actual cost of debt at December 31, 2008 of 6.87% shall be used to determine the weighted average cost of capital.

3. Capital Structure and Return on Rate Base

Background. Atmos witness Hevert presented testimony regarding Atmos' actual capital structure, as well as Atmos' proposal to use a hypothetical capital structure consisting of 45% debt and 55% equity for the purpose of developing Atmos' proposed revenue requirement. Staff and the OCC opposed Atmos' proposed hypothetical capital structure.

Resolution. For purposes of settlement, the Parties have agreed to use a hypothetical capital structure consisting of 50% debt and 50% equity for purposes of developing Atmos' revenue requirement. The Parties agree that a return on equity of 10.25%, combined with their agreed-upon cost of debt and pro forma capital structure of 50% debt and 50% equity, yields an authorized return on rate base of 8.57%.

4. Rate Base

Background. As explained in the testimony and supporting workpapers of Atmos witness Petersen, the Company's filing utilized year-end rate base. Staff and the OCC

² That percentage is 51%.

opposed the use of year-end rate base, arguing instead that the Company's rate base should be calculated using a 13-month average methodology.

Resolution. For purposes of settlement, the Parties agree to the use of the 13-month average methodology for calculating rate base.

5. Weather Normalized Volumes and Customer Count

Background. As explained in the testimony and supporting workpapers of Atmos witness Christian, the Company's filing utilized total weather normalized volumes of 123,083,634 Ccf, which is normalized utilizing weather stations in Denver, Grand Junction, and Pueblo. Neither Staff nor the OCC opposed the Company's derivation of customer count. Staff did, however, argue that the weather stations used by the Company to determine weather normalized volumes were not representative of the Company's service areas as those weather stations were not located in areas containing Company facilities.

Resolution. For the purpose of settlement, the Parties agree that the settlement rates will be determined by using the normalized volumes and customer count components as proposed in the Company's July 8, 2009 filing. However, on a going forward basis, Atmos agrees that it will use the weather stations identified by Staff in this proceeding as follows for purposes of normalizing sales volume:

<u>Historic Atmos Rate Area</u>	<u>Weather Station</u>
Northeast:	Greeley
Northwest/Central:	Craig/Gunnison/Steamboat
Southeast:	Canon City/Lamar
Southwest:	Durango

6. Interest on Long-Term Debt as a Component of Cash Working Capital

Background. Atmos' derivation of its Cash Working Capital amount excludes consideration of an amount associated with interest on long-term debt. Staff and the OCC argue that such component should be included in the calculation of Cash Working Capital.

Resolution. For purposes of settlement, the Parties agree that the revenue requirement associated with Atmos' Cash Working Capital total shall be reduced by the amount of \$45,229 to reflect the timing of payments related to interest on long-term debt. The Parties agree, however, that Atmos shall not be required to include interest on long-term debt for its calculation of Cash Working Capital for purposes of future financial reports to the Commission unless the Commission shall decide the propriety of this issue in a current or future litigated Xcel Energy rate case proceeding.

7. Cost Allocation Methodologies

Background/Resolution. The Company's rate case filing included proposed cost allocation methodologies for purposes of both its cost allocation manual and fully distributed cost study, as well as for its Phase II cost allocations (which used the *Atlantic-Seaboard* cost allocation method). Neither Staff nor the OCC opposed such methodologies and agree for the purposes of settlement that such methodologies shall be used to derive the agree-upon settlement rates in this proceeding.

8. Updated Rate Case Expenses

Background. The Company's original filing estimated rate case expenses of \$235,000. The updated actually incurred rate case expenses are approximately \$157,000 as of November 1, 2009. Atmos estimates additional rate case expenses of \$42,000 incurred but

not invoiced as of the date of this Agreement, but that will be necessary in order to prosecute this settlement before the Commission and to fulfill any compliance filing obligations resulting from Commission approval of this Stipulation. Atmos' original filing assumed a 24-month recovery period for such expenses. The OCC opposed the projected amount associated with Atmos' ROE consultant, which opposition was supported by Staff. separately, both Staff and the OCC also argued for a longer recovery period.

Resolution. For the purposes of settlement, The Parties agree that Atmos shall be authorized to recover its actual incurred rate case expenses arising from this proceeding over a 36-month period.

9. Depreciation

Background. In its filed case, Atmos' proposed revenue requirement increase includes the effect of an updated depreciation study. During the course of the Parties discussions, Staff inquired regarding the methodologies utilized by Atmos in determining its proposed depreciation expense.

Resolution For purposes of settlement, with the exception of the Communication Equipment FERC Account 39700 and 39701, the Parties agree to accept Atmos' depreciation expense. For Communication Equipment FERC Account 39700 and 39701, the Parties agree that FERC Account 39700 and 39701 depreciation expense should be 8.45%. Details regarding the accepted depreciation rates are more specifically set forth in Stipulation Attachment E.

10. Productivity Offset

Background. In its filed case, Atmos' proposed revenue requirement increase includes amounts associated with increased wage and benefit costs, with a portion being considered an "out-of-period" wage adjustment. Consistent with prior Commission practices relating to "out-of-period" wage adjustments, Staff and the OCC proposed a corresponding productivity offset.

Resolution. For the purposes of settlement, the Parties agree that there shall be a productivity offset factor of 1.4%. Application of the productivity offset factor results in a decrease in the requested increased total wage and benefits cost in the amount of \$123,886.

B. Other Matters

1. Monthly Service & Facilities Charges

Background. In Atmos' filed rate case, Atmos proposed to increase its Monthly Service and Facility Charges for Residential, Commercial and Irrigation service from their current levels to \$15.00, \$35.00 and \$45.00, respectively. Staff and the OCC opposed these increases.

Resolution. For the purposes of settlement, the Parties agree that the Company's Monthly Service and Facility Charges will be increased from their current levels for Residential and Commercial service to \$10.00, \$24.00 and \$40.00, respectively.

2. Base and GCA Rate Area Consolidation

Background. In its filed case, Atmos proposed to consolidate its current four separate rate areas into a single rate area for purposes of determining both base rates and gas cost

adjustment ("GCA") rates. Staff and the OCC raised concerns about such consolidation arguing that there was not sufficient evidence from Atmos which demonstrated the absence of an inappropriate cross-subsidy resulting from such consolidation.

Resolution For purposes of settlement, the Parties agree that Atmos' current four rate areas, which are currently the Northeast, Northwest/Central, Southeast and Southwest rate areas shall be consolidated into a single, state-wide rate area for purposes of determining Atmos' base rates and terms and conditions of service. The Parties further agree that Atmos shall retain its existing four rate areas for purposes of determining its GCA rates. Nothing herein shall, however, limit or restrict Atmos' ability in a future GCA or base rate proceeding to propose consolidation of Atmos' GCA rate areas.

3. Incorporation of ComFurT Service Area Into Northwest/Central Rate Area

Background. In Atmos' filed rate case, Atmos proposed that customers served in and around the Town of Buena Vista, Colorado and its environs (previously acquired from ComFurT Gas, Inc.) be incorporate into Atmos' Northwest/Central rate area. Neither Staff nor the OCC opposed this consolidation.

Resolution. As part of this settlement, the Parties agree that service to customers located in and around the town of Buena Vista, Colorado shall become part of Atmos' Northwest/Central rate area and thereby receive service pursuant to the corresponding rates and terms and conditions of services.

4. Recovery of Uncollectible Gas Costs Through the GCA Mechanism

Background. In its filed case, Atmos proposed to recover uncollectible gas costs through its GCA mechanism, rather than a cost component included in its base rates. Neither Staff nor the OCC disagreed with the theory upon which Atmos based its proposal (that a portion of its uncollectible accounts relate to the gas commodity and as such should be recovered through the GCA rather than as part of base rates). However, both the OCC and Staff were uncertain as to the effectiveness and the actual implementation of the GCA mechanism proposed by the Company for recovering such uncollectible costs.

Resolution. For the purposes of settlement, the Parties agree that Atmos shall be authorized to implement a pilot program under which Atmos may recover uncollectible gas costs through its GCA mechanism, rather than as a cost component of its base rates. The pilot program shall continue for a period of two years from the effective dates of rate resulting from a final order in this docket and shall be operated in a manner consistent with Atmos' implementation in other jurisdictions. The Parties agree that as part of the pilot program, Atmos will provide additional information in its future GCA filings which will include detailed information relating to the actual dollar amounts written off, which amounts shall be further broken out into the GCA portion and base rate portion of the customer bills. Amounts that have previously been written off, but which are subsequently collected (in full or in part) shall likewise be reported in Atmos' future annual GCA reports, broken out as between the GCA and base rate portions of customer bills. Following the end of the second full year, and prior to the Company's annual November 1, GCA filing, Atmos will be required to file an Advice Letter to extend the program beyond November 1 GCA filing.

5. Automated Meter Infrastructure

Background. In its filed case, Atmos requested authorization to implement a surcharge on customers' bills for the purpose of funding the installation of an automated meter infrastructure on all customers across the Company's Colorado natural gas distribution system. Staff and the OCC raised concerns regarding the cost such an infrastructure investment and inquired regarding the relative costs and benefits of the installation of an automated metering infrastructure system-wide.

Resolution. For the purposes of settlement, the Parties agree that Atmos shall be authorized to implement an Automated Meter Infrastructure pilot program in and around the environs of Greeley, Colorado only as more particularly described in Stipulation Attachment F. Staff and the OCC have expressed a desire that such program be undertaken in conjunction with a Certificate of Public Convenience and Necessity ("CPCN") issued by the Commission. Without prejudice to any Party's position regarding whether a CPCN is legally required for such a program, the Parties agree that Atmos shall file an application with the Commission for issuance of a CPCN to conduct such a program that is consistent with the terms of the program described in Stipulation Attachment F. The Parties further agree that so long as Atmos' CPCN filing is consistent with the terms of the program described in Stipulation Attachment F, they will support of the granting of such a CPCN by the Commission on an expedited basis. Atmos agrees that within 120 calendar days after the conclusion of the pilot program, Atmos shall file a report with the Commission that addresses the areas of information set forth on pages 4 and 5 of Stipulation Attachment F.

6. Agreement to Update Construction Allowance

Background. The Company's filing in this proceeding does not include revision to its Main Extension and Service Line Allowances. Staff and the OCC argued that such construction allowances should be updated subsequent to the implementation of the settlement rates agreed to herein in order that such allowances will be reflective of such settlement rates.

Resolution. For purposes of settlement, the Parties agree that within 60 days following the effective date of the rates agreed to in this Stipulation, the Company shall file an advice letter proposing to revise its Main Extension and Service Line construction allowances available to new customers.

7. Miscellaneous Tariff Changes

Background. In the Direct Testimony of Company witnesses Karen P. Wilkes (Page 31, Line 6 through Page 35, Line 11), Atmos proposed a variety of tariff revisions that are generally described as updates to Atmos' existing tariff relative to certain customer service fees. Similarly, in the Direct Testimony of Company witness and Joe T. Christian (Page 22, Lines 4 through 18), the Company proposed to eliminate what is referred to as the Seeley Lake Surcharge. This surcharge dates back to the 1970s and was written so that it would never expire regardless of the fact that the growth in the Seeley Lake area as originally contemplated will now more than likely never occur. Neither Staff nor the OCC opposed these tariff changes as proposed by Ms. Wilkes and Mr. Christian.

Resolution. As such, the Parties agree to the various tariff updates as more particularly described in the above-referenced sections of the Direct Testimony of Atmos witness Karen P. Wilkes and Joe T. Christian.

8. Customer Rate Stabilization Plan

Background. The Company's original filing included a request to implement what Atmos referred to as a Customer Rate Stabilization Plan, or CRS Plan. Staff and the OCC opposed Atmos' CRS Plan.

Resolution. For the purposes of settlement, the Parties agree that the settlement rates and other terms and conditions set forth herein shall not include Atmos' Customer Rate Stabilization Plan.

9. Workshop to Investigate Transportation Service Issue

Background. The Company's original filing included an increase in the transportation rates on its system. Persolite and Seminole raised concerns regarding the ability of sales customers who elect to convert to transportation service to access upstream pipeline capacity held by Atmos in order to facilitate their conversion to transportation service.

Resolution. For the purposes of settlement, Atmos agrees to convene, and invite all Parties to, a series of workshops designed to investigate further the issue of potential access by converting sales customers to upstream pipeline capacity held by Atmos when such customers desire to convert to transportation service ("Workshop Issue"). The purpose of such workshops is to develop and, if possible, come to a consensus regarding the Workshop Issue. The Parties agree that the workshops will be convened within 60 days following the effective date of rates in this proceeding, with a written report being prepared and filed with

the Commission regarding the results of the workshops no later than September 1, 2011. If the participants to the workshops are able to reach consensus on the Workshop Issue, the Company will file an application or other appropriate pleading with the Commission prior to or as part of its next general rate case to implement the agreed to changes. If consensus cannot be reached by the participants, each participant is free to use any of the non-confidential, non-proprietary information from the workshops in order to advocate positions regarding the Workshop Issue in the Company's next rate case proceeding. The Parties acknowledge that nothing herein shall limit or restrict any participant in the workshops from seeking to commence an action before the Commission after September 1, 2011 in which the Workshop Issue might otherwise be determined by the Commission.

10. Issues Raised But Not Expressly Dealt With in this Stipulation

Except as modified in this Stipulation and for the purpose of this settlement, the Parties agree to implementation of the proposals contained in the Company's rate case filing as originally filed on July 8, 2009, and Commission approval of this Stipulation shall constitute Commission acceptance of all other such aspects of the rate case filing by the Company.

11. Request for Expedited Approval

The settlement in this case recognizes that the Company is currently not recovering its entire cost of service. As a result, the Parties agree that the increased rates resulting from this settlement should become effective as early as practicable and further agree to request expedited review and approval of this Stipulation, without modification, in order to facilitate such an early effective date.

12. No Settled Practice

The Parties agree that this Stipulation and the settlement rates, terms and conditions of service and the cost allocation, rate design and other methods contained in the Stipulation Attachments have been agreed to by the Parties solely for purposes of settlement and do not constitute a settled practice or otherwise have precedent-setting value in any future proceedings. None of the Parties shall be deemed to have approved, accepted, agreed to or consented to any concept, theory or principle underlying or supposed to underlie any of the matters provided for in this Settlement other than for the limited purpose of entering into this Stipulation. Notwithstanding the resolution of the issues set forth in this Stipulation, none of the methods or ratemaking principles herein contained shall be deemed by the Parties to constitute a settled practice or precedent in any future proceeding. Nothing in this Stipulation shall preclude the Company from seeking prospective changes in its natural gas service rates by an appropriate filing with the Commission. Nothing in this Stipulation shall preclude any other party from filing a complaint or seeking an order to show cause to obtain prospective changes in the Company's natural gas service rates and/or provisions in the Company's tariff.

**III. EFFECTIVE DATE OF SETTLEMENT RATES AND TERMS AND
CONDITIONS OF SERVICE**

This Stipulation shall take effect upon its approval by the Commission. Nothing in this Stipulation shall be construed as precluding the Company from filing a general rate case to change the rates for its natural gas services at any time. Nothing in this Stipulation shall be construed to limit the Company from applying to the Commission for adjustment clauses or for any other change to the Company's gas rates. Nothing in this Stipulation shall be

construed to prevent the Staff, the OCC or any other party from seeking review by the Commission of the justness and reasonableness of the Company's natural gas service rates in the future.

Except as provided in this paragraph, the provisions of this Stipulation shall terminate and have no continuing effect upon the effective date of the revised rates for natural gas services resulting from Atmos' next revenue requirement rate case, whether initiated through the Company's filing of a rate case, or by a formal complaint. Where reference is made in the Stipulation to provisions that apply for a period of time, all such time period provisions of this Stipulation may be modified by a subsequent filing with the Commission or subsequent stipulation approved by the Commission.

IV. IMPLEMENTATION

This Stipulation shall not become effective until the issuance of a final Commission Order approving the Stipulation that does not modify the Stipulation in a manner that is unacceptable to any of the Parties. In the event the Commission modifies this Stipulation in a manner unacceptable to any Party, that Party shall have the right to withdraw from this Stipulation and proceed to hearing on the issues that may be appropriately raised by that Party in this docket. The withdrawing Party shall notify the Commission and the Parties to this Stipulation by e-mail within three business days of the Commission modification that the Party is withdrawing from the Stipulation and that the Party is ready to proceed to hearing; the e-mail notice shall designate the precise issue or issues on which the Party desires to proceed to hearing (the "Hearing Notice").

The withdrawal of a Party shall not automatically terminate this Stipulation as to the withdrawing Party or any other Party. However, within three business days of the date of the Hearing Notice from the first withdrawing Party, all Parties shall confer to arrive at a comprehensive list of issues that shall proceed to hearing and a list of issues that remain settled as a result of the first Party's withdrawal from this Stipulation. Within five business days of the date of the Hearing Notice, the Parties shall file with the Commission a formal notice containing the list of issues that shall proceed to hearing and those issues that remain settled. The Parties who proceed to hearing shall have and be entitled to exercise all rights with respect to the issues that are heard that they would have had in the absence of this Stipulation.

Hearing shall be scheduled on all of the issues designated in the formal notice filed with the Commission as soon as practicable. The withdrawing Party shall file as part of its formal notice a proposed procedural schedule for said Hearing, which if possible shall be agreed upon by the Parties. Atmos agrees that this schedule shall in any event allow for the filing of written Answer Testimony and Rebuttal Testimony on all disputed issues within approximately the same amount of time (calculated from October 22, 2009 through November 20, 2009) that was left for the Parties to file such testimonies under the procedural schedule established in Decision No. R09-1139-I. In order to accommodate such a revised procedural schedule, Atmos agrees that it will further amend Advice Letter No. 467 for the purpose of revising the proposed effective date of the accompanying tariffs in order to accomplish this objective. In the event that this Stipulation is not approved, or is approved with conditions that are unacceptable to any Party who subsequently withdraws, the

negotiations or discussions undertaken in conjunction with the Stipulation shall not be admissible into evidence in this or any other proceeding, except as may be necessary in any proceeding to enforce this Stipulation.

The Parties agree that, upon final Commission approval of this Stipulation, the Company will file an Advice Letter with the Commission, on not less than one day's notice prior to effective date ordered by the Commission, that will include a citation to the order approving the Stipulation, and the settlement rates, terms and conditions and tariff sheets set forth herein in Stipulation Attachment C. The Parties agree that the Commission's order should direct Atmos to place into effect tariff sheets reflecting the tariff changes that are in all respects identical to the *pro forma* tariff sheets contained in Stipulation Attachment C hereto, with the exception that the effective date of the Commission's order shall be inserted in the tariff sheets where such reference is indicated, and with the further exception that the tariff sheets will contain the gas cost related rates pursuant to the most recent Company approved Gas Cost Adjustment filing. The settlement rates, terms and conditions shall then become final rates, terms and conditions to be effective as provided in Article III hereof and shall not be subject to refund, nor shall they be subject to modification except in accordance with the Public Utilities Law and the Commission's Rules and Regulations promulgated there under.

V. GENERAL TERMS AND CONDITIONS

The Parties hereby agree that all pre-filed testimony and exhibits not already admitted into evidence in this docket shall be admitted into evidence without cross-examination. This Stipulation reflects compromise and settlement of all issues raised or that could have been

raised in this docket. This Stipulation shall be filed as soon as possible with the Commission for Commission approval.

Approval by the Commission of this Stipulation shall constitute a determination that the Stipulation represents a just, equitable and reasonable resolution of issues that were or could have been contested among the parties in this proceeding. The Parties state that reaching agreement as set forth herein by means of a negotiated settlement rather than through a formal adversarial process is in the public interest and that the results of the compromises and settlements reflected in this Stipulation are in the public interest.

This Stipulation may be executed in counterparts, each of which when taken together shall constitute the entire Stipulation with respect to the issues addressed by this Stipulation.


The Parties agree to a waiver of compliance with any requirements of the Commission's Rules and Regulations to the extent necessary to permit all provisions of this Stipulation to be carried out and effectuated.

DATED this 19th day of November, 2009.

Respectfully submitted,

ATMOS ENERGY CORPORATION

Approved as to form:

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DATED this 19th day of November, 2009.

Respectfully submitted,

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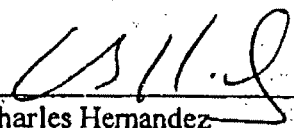
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Attorney for Atmos Energy Corporation

**STAFF OF THE COLORADO
PUBLIC UTILITIES COMMISSION**

Approved as to form:

By: _____


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Attorney for Staff of the
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DATED this 19th day of November, 2009.

Respectfully submitted,

ATMOS ENERGY CORPORATION

Approved as to form:

By: _____

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**COLORADO OFFICE OF
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Approved as to form:

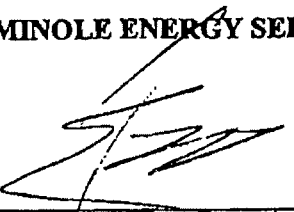
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CERTIFICATE OF SERVICE

I hereby certify that on this 19th day of November, 2009, a true and correct copy of the foregoing **STIPULATION AND AGREEMENT IN RESOLUTION OF PROCEEDING** was deposited in the mail postage prepaid to the following:

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DOCKET NO. 09AL-507G

Stipulation Attachment A
Schedule 1

Atmos Enery Corp. - Colorado Service Areas
Revenue Requirement and Revenue Deficiency Calculation
Twelve Months Ended December 31, 2008

Line No.	Description (a)	Total (b)
1	Cost of Gas (normalized & adjusted)	\$65,995,514
2		
3	Operation & Maintenance Expense	15,587,797
4		
5	Depreciation & Amortization Expense	6,319,208
6		
7	Taxes Other Than Income Taxes	2,003,063
8		
9	Income Tax	<u>2,211,396</u>
10		
11	Total Cost of Service	92,116,978
12		
13		
14	Revenue at Present Rates (normalized)	<u>98,440,150</u>
15		
16	Pro forma Net Income	<u><u>\$6,323,172</u></u>
17		
18	Rate Base	\$86,189,463
19		
20	Return on Rate Base	7.34%
21		
22	Return on Equity	7.79%
23		
24	Requested Return on Equity	10.25%
25		
26	Percent of Equity Deficient (sufficient)	2.46%
27		
28	Equity Portion of Rate Base	\$43,094,732
29		
30	Rev Deficiency(sufficiency) before Inc Tax	1,058,955
31		
32	Income Taxes	<u>649,312</u>
33		
34	Total Revenue Deficiency (sufficiency)	<u><u>\$1,708,268</u></u>

Atmos Energy Corporation - Colorado Service Area
Class Cost Allocation Study
For the test year ended December 31, 2008

Supplement Attachment A, Cont'
Schedule CCS-1

Total Colorado

SUMMARY (as filed) - with Test Year Normalized Revenues							
Line No.	Description	Total	Residential	Com/PA	Irrigation	Special	Transport
1	Margin with test year rates, as filed	\$32,444,636	\$20,778,406	\$9,094,576	\$4,796	\$71,754	\$2,495,104
2	O&M Expense	15,587,798	11,123,479	3,725,113	2,634	36,774	699,798
3	Depreciation & Amort	6,319,208	4,417,136	1,553,377	1,309	13,532	333,854
4	Taxes Other than Income Tax	2,003,064	1,406,522	495,207	341	4,991	96,003
5	Income Tax	2,211,396	732,992	1,006,567	16	3,875	467,946
6							
7	Net Income at test year rates	\$8,323,170	\$3,098,277	\$2,314,312	\$496	\$12,582	\$897,503
8							
9	Rate Base	\$86,189,467	\$60,467,748	\$21,289,115	\$15,291	\$201,437	\$4,215,876
10							
11	ROR at test year rates	7.34%	5.12%	10.87%	3.24%	6.25%	21.29%

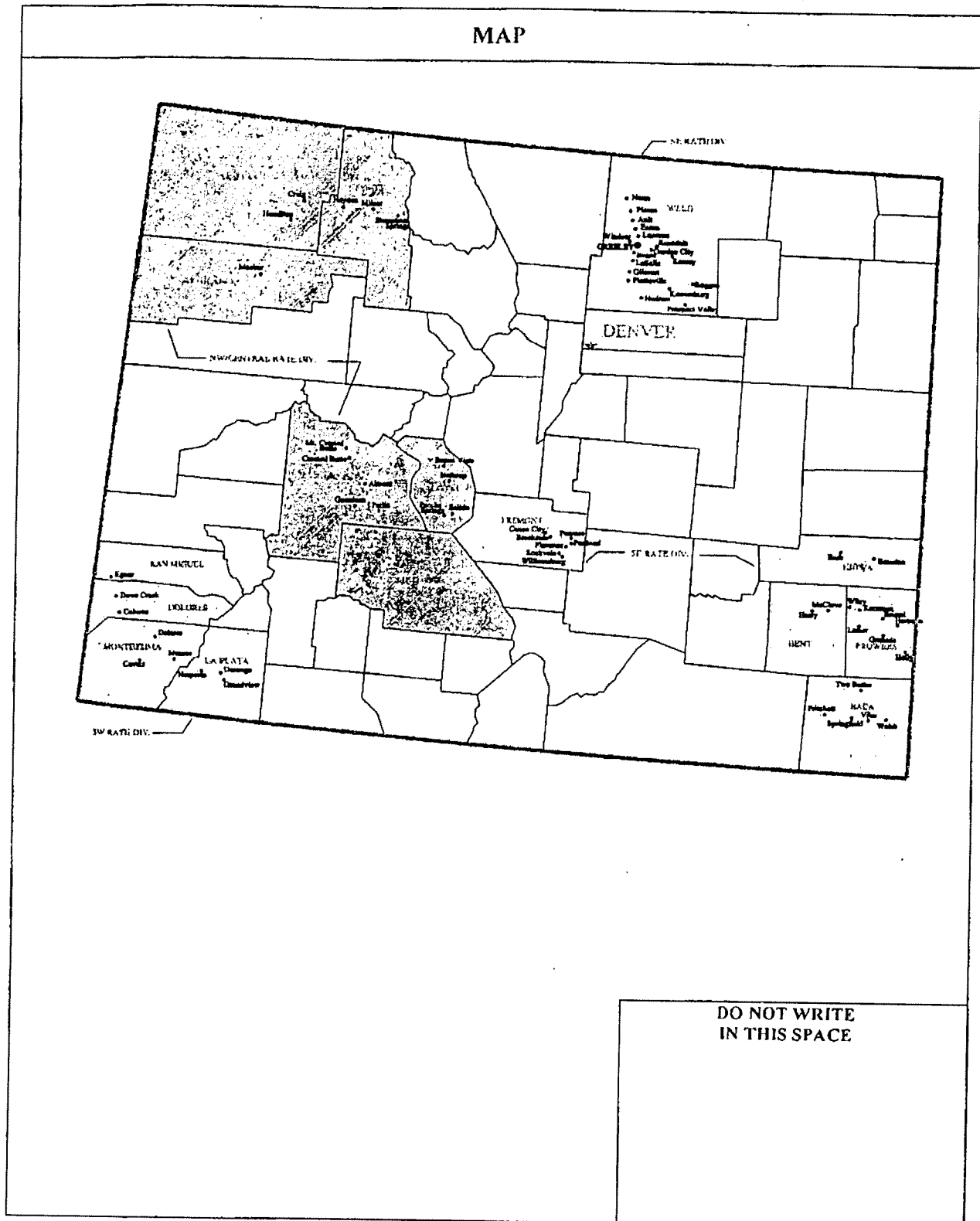
SUMMARY - with Proposed Proforma Revenue by Class							
		Total	Residential	Com/PA	Irrigation	Special	Transport
12	Margin with test year rates, as filed	\$32,444,636	\$20,778,406	\$9,094,576	\$4,796	\$71,754	\$2,495,104
13	Increase at Proposed Rates	1,708,182	2,017,315	(309,788)	655	0	0
14	Proforma Margin with Proposed Rates	\$34,152,818	\$22,795,721	\$8,784,788	\$5,451	\$71,754	\$2,495,104
15	O&M Expense	15,587,798	11,123,479	3,725,113	2,634	36,774	699,798
16	Depreciation & Amort	6,319,208	4,417,136	1,553,377	1,309	13,532	333,854
17	Taxes Other than Income Tax	2,003,064	1,406,522	495,207	341	4,991	96,003
18	Income Tax (at proposed rates)	2,860,664	1,499,762	888,816	265	3,875	467,946
19							
20	Net Income at Proposed Rates	\$7,382,083	\$4,348,822	\$2,122,275	\$902	\$12,582	\$897,503
21							
22	Rate Base (proposed)	\$86,189,467	\$60,467,748	\$21,289,115	\$15,291	\$201,437	\$4,215,876
23							
24	ROR by class per Proposed Rates	8.56%	7.19%	9.97%	5.90%	6.25%	21.29%

Line No.	Description	Total
1	Atmos' Filed Deficiency	\$3,933,659
2		
3	50/50 Cap Structure vs. 55/45	(500,526)
4	ROE at 10.25% vs. 11.25%	(724,272)
5	Average Rate Base vs. Year End	(376,923)
6	3 year rate case amortization vs. 2 year & updated to actual	(51,166)
7	Productivity at 1.4% (OCC)	(123,886)
8	Long Term Debt removal in CWC (OCC)	(45,229)
9	Discretionary Expense Adjustment(including BOD and AG Expenditures) (Sta	(88,500)
10	Bad Debt Gas Costs in GCA - pilot basis	(263,828)
11	Depreciation Adjustment; Communication Equipment (Staff)	(51,061)
12	Settlement Increase to Base Rates	<u>\$1,708,268</u>
13	Movement of Bad Debt Gas Costs to GCA recovery	\$263,828
14		
15	Settlement - Impact on Operating Income	\$ 1,972,095

STIPULATION ATTACHMENT C

ATMOS ENERGY CORPORATION
1555 Blake St., Suite 400
Denver, Colorado 80202

Colo. P. U. C. No. 7 Gas
First Revised Sheet No. 1.2
Cancels Original Sheet No. 1.2



Advice Letter No. 467-Second
Amended

Decision or Authority No. _____

Title: Vice-President Regulatory
and Public Affairs

Issue Date: _____, 2009

Effective Date: _____, 2009

ATMOS ENERGY CORPORATION
1555 Blake St., Suite 400
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Colo. P. U. C. No. 7 Gas
First Revised Sheet No. 2
Cancels Original Sheet No. 2

INDEX	
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MAP	1.2
INDEX	2
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<u>Key to Symbols of Revised Tariff Sheets</u>	
I - indicates an increase	
R - indicates a reduction	
T - indicates change in text but no change in rate or regulation	
N - indicates new rate or regulation	
C - indicates changed regulation	
S - indicates reissued matter (from another sheet)	
D - indicates discontinued rate or regulation	
A - indicates adjustment for roll-in portions of the Gas Cost Adjustment	
Sub - indicates substitute	
NC - indicates no change	
M - indicates material moved from or to another part of tariff	
DO NOT WRITE IN THIS SPACE	

Advice Letter No. 467-Second
Amended

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and Public Affairs

Issue Date: _____, 2009

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ATMOS ENERGY CORPORATION
1555 Blake St., Suite 400
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Colo. P. U. C. No. 7 Gas
First Revised Sheet No. 5
Cancels Original Sheet No. 5

NATURAL GAS RATES GAS COST ADJUSTMENT

APPLICABILITY

The Gas Cost Adjustment ("GCA") shall apply to all rate schedules for natural gas sales service that are subject to a GCA to reflect appropriate gas costs, such as Forecasted Gas Commodity Cost, Forecasted Upstream Service Cost incurred by the Company. Pursuant to the Public Utilities Commission of the State of Colorado's ("Commission") Rules, the Company will file an annual GCA with an effective date of November 1. Additional GCA applications may also be filed provided that projected cost changes, such as Forecasted Gas Commodity and Upstream Service costs, result in at least one cent (\$0.01) per thousand cubic feet ("Mcf") of Forecasted Sales Gas Quantity. The GCA for all applicable rate schedules is as set forth on the Gas Cost Adjustment & Rate Component Summary, and will be added to the Company's Distribution System Rate for billing purposes.

DEFINITIONS

Gas Cost Adjustment ("GCA") – Current Gas Cost plus Deferred Gas Cost.

Total Volumetric Rate – Sum of the Distribution System Rate and the GCA.

Actual Gas Cost – The amount recorded in the Company's FERC accounts less the total amount of gas cost determined to have been uncollectible and written off which remain unpaid for each month of the reconciliation period: Well Head Purchases (800), Field Line Purchases (801), Transmission Line Purchases (803), City Gate Purchases (804), Exchange Gas (806), Gas Withdrawn from Storage less Gas Injected into Storage (808), Gas Used for Products Extraction (811), and Gas Used for Other Utility Operations (812).

CCF – 100 cubic feet of gas at Billing Pressure Base. All Residential and Commercial meters are measured in CCF. All Residential customers are billed in CCF. Commercial customers have the option of being billed in CCF or MCF.

MCF – 1000 cubic feet of gas at Billing Pressure Base.

Recovered Gas Cost – The gas cost recovered by the Company's currently effective GCA.

Other terms used in this tariff are standardized terms as defined in the Commission's Rules of Practice and Procedure.

CURRENT GAS COST

Current Gas Cost shall be calculated to the nearest mil (\$0.001) per Mcf using the following formula:

Current Gas Cost = (Forecasted Gas Commodity Cost +
Forecasted Upstream Service Cost ÷
Forecasted Sales Gas Quantity)

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ATMOS ENERGY CORPORATION
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Colo. P. U. C. No. 7 Gas
First Revised Sheet No. 7
Cancels Original Sheet No. 7

NATURAL GAS RATES
Gas Cost Adjustment (continued)

TREATMENT OF REFUND

Application shall be made to the Commission for approval of a refund plan for the disposition of refunds received from a Company supplier including interest. Refund Plan applications will be filed in accordance with Commission's Rules of Practice and Procedure and the current Commission policy on refunds.

INFORMATION TO BE FILED WITH THE PUBLIC UTILITIES COMMISSION

Each proposed Gas Cost Adjustment will be filed as an application in accordance with the Commission's Gas Cost Adjustment Rules and the Commission's Rules of Practice and Procedure. In addition to Commission's Gas Cost Adjustment Rules, the Company shall file annual reports with the Commission, providing by month the following amounts: Gas Cost Written Off, Margin Written Off, Tax and Other Written Off, Total Written Off, Gas Cost Collected and Margin Collected. The Company's GCA as set forth above incorporates by reference the entire rule regarding GCAs. The intent of the GCA rule shall prevail in case of any conflict, error or omission in the Company's GCA tariff stated herein.

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Title: Vice-President Regulatory
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ATMOS ENERGY CORPORATION
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Colo. P. U. C. No. 7 Gas
First Revised Sheet No. 8C
Cancels Original Sheet No. 8C

Natural Gas Rates			
Gas Demand-Side Management Cost Adjustment (G-DSMCA)			
G-DSMCA Factor			
	<u>Facility Charges</u>	<u>Volumetric Charges</u>	
<u>Residential</u>			
Northeast	2.90%	2.49%	NC
Northwest/Central	2.20%	2.58%	NC
Southeast	2.80%	2.83%	NC
Southwest	2.20%	3.10%	NC
 <u>Commercial</u>			
Northeast	0.63%	0.59%	NC
Northwest/Central	0.58%	0.72%	NC
Southeast	0.58%	1.10%	NC
Southwest	0.54%	0.88%	NC
			DO NOT WRITE IN THIS SPACE

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ATMOS ENERGY CORPORATION
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Colo. P. U. C. No. 7 Gas
First Revised Sheet No. 9
Cancels Original Sheet No. 9

NATURAL GAS RATES
Cost Adjustment & Rate Component Summary
All volumetric rates at \$ per CCF

Class/Sheet No.	Type of Charge	NE	NW/C	SE	SW		
Residential							
15	Facilities Charge*	\$10.00	\$10.00	\$10.00	\$10.00	(I,I,I,I)	(I,I,I,I)
	Gas DSMCA*	\$0.29	\$0.22	\$0.18	\$0.22		
	Gas Cost Adjustment (GCA):						
	Commodity	\$0.40330	\$0.41720	\$0.38610	\$0.44660		
	Upstream Pipeline	0.18830	0.09900	0.10180	0.03250		
	Deferred Gas Cost	(0.03160)	0.02090	0.08840	(0.04830)		
	Total GCA	\$0.56000	\$0.53710	\$0.57630	\$0.43080		
	Distribution System Rate	0.14385	0.14385	0.14385	0.14385	(I,I,I,I)	
	Volumetric DSMCA*	0.00360	0.00372	0.00409	0.00448		
	Total volumetric rate for class	<u>\$0.70745</u>	<u>\$0.68467</u>	<u>\$0.72424</u>	<u>\$0.57913</u>		(R,R,R,R,R)
Commercial & Public Authority							
15	Facilities Charge	\$24.00	\$24.00	\$24.00	\$24.00	(I,I,I,I)	
	Gas DSMCA*	\$0.15	\$0.14	\$0.14	\$0.13		
	Gas Cost Adjustment (GCA):						
	Commodity	\$0.40330	\$0.41720	\$0.38610	\$0.44660		(R,R,R,R,R)
	Upstream Pipeline	0.18830	0.09900	0.10180	0.03250		(I,I,I,I)
	Deferred Gas Cost	(0.03160)	0.02090	0.08840	(0.04830)		(I,R,R,R,R)
	Total GCA	\$0.56000	\$0.53710	\$0.57630	\$0.43080		(R,R,R,R,R)
	Distribution System Rate	0.11242	0.11242	0.11242	0.11242	(I,D,D,D)	
	Volumetric DSMCA*	0.00067	0.00081	0.00124	0.00099		
	Total volumetric rate for class	<u>\$0.67309</u>	<u>\$0.63033</u>	<u>\$0.68996</u>	<u>\$0.54421</u>		(R,R,R,R,R)
Irrigation Service							
17	Facilities Charge	\$40.00	NA	\$40.00	NA	(I,NA,I,NA)	
	Gas Cost Adjustment (GCA):						
	Commodity	\$0.40330	NA	\$0.38610	NA		(R,NA,R,NA,NA)
	Upstream Pipeline	0.18830		0.10180			(I,NA,I,NA,NA)
	Deferred Gas Cost	(0.03160)		0.08840			(I,NA,R,NA,NA)
	Total GCA	\$0.56000		\$0.57630			(R,NA,R,NA,NA)
	Distribution System Rate	0.09444		0.09444		(I,NA,I,NA)	
	Total volumetric rate for class	<u>\$0.65444</u>		<u>\$0.67074</u>			(R,NA,R,NA,NA)

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All volumetric rates are listed at a uniform Billing Pressure Base of 14.65

Advice Letter No. 467-Second
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ATMOS ENERGY CORPORATION
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Colo. P. U. C. No. 7 Gas
First Revised Sheet No. 10
Cancels Original Sheet No. 10

NATURAL GAS RATES
Gas Cost Adjustment & Rate Component Summary

All volumetric rates at \$ per CCF

Interruptible - Large Service, WSC & Special Contract Commercial

20 / 22 Facilities Charge	\$910.00	\$266.00	< No change
Gas Cost Adjustment (GCA):			
Commodity	\$0.41720	\$0.44660	
Upstream Pipeline	0.09900	0.03250	
Deferred Gas Cost	0.02090	(0.04830)	
Total GCA	\$0.53710	\$0.43080	
Distribution System Rate	0.08293	0.15981	< No change
Total volumetric rate for class	<u>\$0.62003</u>	<u>\$0.59061</u>	

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ATMOS ENERGY CORPORATION
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Colo. P. U. C. No. 7 Gas
First Revised Sheet No. 11
Cancels Original Sheet No. 11

NATURAL GAS RATES
Gas Cost Adjustment & Rate Component Summary

All volumetric rates at \$ per CCF

Class/Sheet	No.	Type of Charge	NE	NW/C	SE	SW	
Transportation Service							
23 25		Facilities Charge	(1)	(1)	(1)	(1)	
		Gas Cost Adjustment (GCA):					
		Commodity	NA	NA	NA	NA	
		Upstream Pipeline	NA	NA	NA	NA	
		Deferred Gas Cost	NA	NA	NA	NA	
		Transportation Gas Cost Adj.	\$0.01088	\$0.01088	\$0.00804	\$0.01088	(L,R,L)
		Total GCA	\$0.01088	\$0.01088	\$0.00804	\$0.01088	
		Max Distribution System Rate	0.11242	0.11242	0.11242	0.11242	(L,D,D,D)
		Total volumetric rate for class	\$0.12330	\$0.12330	\$0.12046	\$0.12330	(L,R,L)

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1555 Blake St., Suite 400
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Colo. P. U. C. No. 7 Gas
First Revised Sheet No. 12
Cancels Original Sheet No. 12

NATURAL GAS RATES (General Service Classification)	
SCHEDULE OF CHARGES FOR RENDERING SERVICE (Rate Title or Number)	Company Rate Code
	RATE
To institute gas service:	
During Normal Working Hours	\$45.00
Other Than Normal Working Hours ^[1]	\$85.00
To reinstitute gas service:	
During Normal Working Hours	\$45.00
Other Than Normal Working Hours ^[1]	\$85.00
To transfer gas service at a specific location from one customer to another customer where such service is continuous:	
During Normal Working Hours	\$15.00
Other Than Normal Working Hours ^[1]	\$85.00
To process a check from a customer that is returned by the bank as not payable	\$15.00
Pay Center Transaction Fee ^[2]	[2]
Trip Charge	\$30.00
Diversion Fee	\$400.00
Final Meter Reading Fee	\$15.00
Collection Fee	\$8.00
Electronic Measurement Trip Charge	\$30.00
<p>^[1] Other Than Normal Working Hours rates will be applied when Customer requests that the service call not commence During Normal Working Hours and the Company agrees to perform such service.</p> <p>^[2] Pay Center Transaction Fee is applicable only in the situation where a Customer pays the Company's representative at the customer's location on the day of discontinuation of service to avoid immediate shutoff. The Pay Center Transaction Fee is determined by the third party payment center and is currently set at \$1.00.</p>	
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Decision or Authority No. _____

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Issue Date: _____, 2009

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Effective Date: , 2009

ATMOS ENERGY CORPORATION
1555 Blake St., Suite 400
Denver, Colorado 80202

Colo. P. U. C. No. 7 Gas
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NATURAL GAS RATES (General Service Classification)				
IRRIGATION SERVICE (Rate Title or Number)				
<p><u>AVAILABILITY</u> Available in entire service area of the Company within the State of Colorado. The Company reserves the right to render service only where it has adequate distribution capacity.</p> <p><u>APPLICABILITY</u> Applicable to any individually metered customer using gas engine driven pumps for irrigating land. Gas service under this schedule is not available for resale or for standby service.</p> <p><u>MONTHLY RATE</u> Facilities Charge Distribution System Rate, per CCF @ 14.65 PSIA</p> <p><u>GAS COST ADJUSTMENT</u> This rate schedule is subject to the Gas Cost Adjustment stated in the Gas Cost Adjustment & Rate Component Summary Schedule.</p> <p><u>OTHER RIDERS</u> This rate schedule may from time to time be subject to rider(s) as permitted by the Public Utilities Commission.</p> <p><u>RULES AND REGULATIONS</u> Service supplied under this schedule is subject to the terms and conditions set forth in the Company's Rules and Regulations on file with the Public Utilities Commission and the following special conditions:</p> <ol style="list-style-type: none"> 1. The interruption of gas deliveries in whole or in part under this schedule shall not be the basis for claims for damages sustained by customers. 2. Customers may be required to install an adequate pulsation chamber ahead of the gas engine. 3. For service to gas engine driven irrigation pumps the point of delivery and location of the meter shall be determined by the Company. Except in unusual situations, such point and meter locations shall be at the line nearest the Company's source of natural gas. All piping beyond point of delivery shall be installed, owned, and maintained by customer. 4. The Company reserves the right to limit or curtail the quantity of gas supplied hereunder depending upon the supply and facilities available to render services. 	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="padding: 5px;">RATE</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">\$40.00</td> </tr> <tr> <td style="padding: 5px;">0.09444</td> </tr> </tbody> </table> <div style="display: flex; justify-content: space-between; padding: 5px;"> I N </div>	RATE	\$40.00	0.09444
RATE				
\$40.00				
0.09444				
<div style="border: 1px solid black; height: 100px; width: 100%;"></div>				

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GAS TRANSPORTATION RATES (General Service Classification)	
FIRM TRANSPORTATION SERVICE (Rate Title or Number)	COMPANY RATE CODE
<p><u>SERVICE REQUIREMENTS</u></p> <p>Service hereunder is available to End User for transportation service for individual meters. Before commencement of service under this tariff, End User shall:</p> <ul style="list-style-type: none"> A. Submit a completed Request for Gas Transportation Service form to the Company. B. Have executed a Transportation Service Agreement. C. Have executed a Gas Transportation Agency Agreement with a Shipper (if a third party is delivering gas on behalf of End User). <p><u>MONTHLY MINIMUM, PAYMENT, LATE PAYMENT CHARGE</u></p> <p>The monthly minimum due and payable by the End User for service hereunder shall be the facility charge, per individual meter, applicable to service under this tariff, plus the Service fee of \$10 per meter, plus any applicable tax and franchise charges. Bills for gas transportation service are due and payable within ten days from date of the bill. Any amounts not paid on or before the due date of the bill shall be subject to a late payment charge of one and one half percent (1.5%) per month.</p> <p><u>END USER AND SHIPPER ACKNOWLEDGEMENTS</u></p> <p>End Users receiving transportation service through Company's System acknowledge that the service provided under this tariff is for the benefit of End User and that, if Shipper fails to make payment as required hereunder or is in violation of any rule or regulation set forth in the Company's Gas Transportation Terms and Conditions or in the Company's Rules and Regulations for Natural Gas Service, transportation service shall be subject to termination in accordance with the Company's tariff as well as the applicable rules of the Public Utilities Commission of the State of Colorado.</p> <p>End User also acknowledges that a nominated level of service is all that is provided for under this tariff. Additional fees and penalties, as described in the imbalance section of the transportation terms and conditions may be applicable for not maintaining the proper amount of gas in the system.</p>	<p>RATE</p>
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NATURAL GAS RATES (General Service Classification)	
LATE PAYMENT CHARGE (Rate Title or Number)	COMPANY RATE CODE
<p>If payment is not made on or before the due date of the bill, all non-residential service class customers may be subject to pay a late payment charge of 1.5% per month on the unpaid balance including any arrearages on the bill and any previous unpaid late payment charges.</p>	
	RATE
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NATURAL GAS RATES
(General Service Classification)

ADVANCED METERING INFRASTRUCTURE

I. Definitions

For purpose of this Tariff:

(1) "AMIS" means Advanced Metering Infrastructure Surcharge.

(2) "AMI Infrastructure Costs" means those costs incurred in connection with the AMI Project including, but not limited to, meter-mounted data transmitters, metering data reception/transmission equipment installed on or at a communications tower (including tower gateway base stations), regional network interfaces, software systems, capitalized employee labor and costs, third-party contractor costs. If any of the foregoing costs are incurred for the benefit of more than one state in which the Company conducts natural gas utility operations, then, for purposes hereof, the allocable portion of such costs for Colorado (as determined in accordance with the Company's common cost allocation procedures) shall constitute AMI Infrastructure Costs for purposes of this Tariff.

(3) "AMI Project" means Company plant projects that:

- (a) Relate to the Company's Advanced Metering Infrastructure Project as reviewed in an application filed with the Commission;
- (b) is in service and used and required to be used; and
- (c) were not included in the Company's rate base in its most recent general rate case;

(4) "appropriate pretax revenues" means the revenues necessary to produce net operating income equal to:

- (a) The Company's weighted cost of capital multiplied by the net original cost of AMI Infrastructure Costs, including recognition of accumulated deferred income taxes and accumulated depreciation associated with AMI Infrastructure Costs which are included in a currently effective AMIS; plus
- (b) An amount reasonably sufficient to recover state, federal and local income or excise taxes applicable to such income; plus
- (c) An amount reasonably sufficient to recover depreciation expenses associated with such AMI Infrastructure Costs as determined in accordance with the depreciation rates applicable to the category of general utility plant involved and approved by the Commission in the Company's most recent general rate proceeding; less
- (d) An amount equal to the Operating Expense Savings.

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NATURAL GAS RATES

(General Service Classification)

ADVANCED METERING INFRASTRUCTURE (cont'd.)

- (5) "Commission" means the Colorado Public Utilities Commission;
- (6) "Operating Expense Savings" means an amount equal to (a) the costs related to the meter reading function as recorded in account 902 – Customer Accounts – Meter Reading for the test year in the Company's most recent general rate proceeding, less (b) the costs related to the meter reading function as recorded in Account 902-Customer Accounts-Meter Reading for the most recent 12-month period preceding (c) any amount of Operating Expense Savings included within any previous AMIS approved under the provisions of this Tariff.
- (7) "natural gas public utility" or "Company" shall mean Atmos Energy; "AMIS revenues" means revenues produced through an AMIS exclusive of revenues from all other rates and charges

II. AMIS Rate Schedule

- (1) The Company's AMIS rate schedule allows for the adjustment of the Company's rates and charges to provide for the recovery of costs for the AMI Project. The Company's AMIS Rate Schedule shall not produce total annualized AMIS revenues below 1% of the Company's base revenue level approved by the Commission in the Company's most recent general rate proceeding. The Company AMIS shall also not produce total annualized AMIS revenues exceeding 10% of the Company's base revenue level approved by the Commission in the Company's most recent general rate proceeding. An AMIS and any future changes thereto shall be calculated and implemented in accordance with the provisions contained in this tariff. AMIS revenues shall be subject to a refund based upon a finding and order of the Commission to the extent provided in this tariff.
- (2) In no event shall the Company collect an AMIS under this tariff for a period exceeding 60 months unless the Company has filed for or is the subject of a new general rate proceeding; except that the AMIS may be collected until the effective date of new rate schedules established as a result of the new general rate proceeding, or until the subject general rate proceeding is otherwise decided or dismissed by issuance of a Commission order without new rates being established.
- (3) At the time the Company files a petition with the Commission seeking to establish or change a AMIS under this tariff, it shall submit its supporting documentation regarding the calculation of the proposed AMIS with the petition and shall serve Commission Staff and the Office of Consumer Counsel with a copy of its petition and its supporting documentation.

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NATURAL GAS RATES

(General Service Classification)

ADVANCED METERING INFRASTRUCTURE (cont'd.)

- (4) When a petition is filed pursuant to the provisions of this tariff, the Commission shall conduct an examination of the proposed AMIS;
- (5) The staff of the Commission shall examine information of the Company to confirm that the underlying costs are in accordance with the provisions of this tariff and to confirm proper calculation of the rates. The staff shall submit a report regarding its examination to the Commission not later than 60 days after the petition is filed. No other revenue requirement or ratemaking issues may be examined in consideration of the petition pursuant to the provisions of this tariff.
- (6) The Commission may hold a hearing on the petition and shall issue an order to become effective not later than 120 days after the petition is filed; and
- (7) If the Commission finds that a petition complies with the requirements of this tariff the Commission shall enter an order authorizing the Company to impose an AMIS that is sufficient to recover appropriate pretax revenue, as determined by the tariff.
- (8) The Company may effectuate a change in its rate pursuant to the provisions of this tariff no more often than once every 12 months.
- (9) In determining the appropriate pretax revenue, the Commission shall consider only the following factors:
 - (a) The original cost of AMI Infrastructure Costs;
 - (b) the accumulated deferred income taxes associated with the AMI Infrastructure Costs;
 - (c) the accumulated depreciation associated with the AMI Infrastructure Costs;
 - (d) the current state, federal and local income tax or excise rates;
 - (e) the Company's actual regulatory capital structure as determined during the most recent general rate proceeding of the Company;
 - (f) the actual cost rates for the Company's debt as determined during the most recent general rate proceeding of the Company;
 - (g) the Company's cost of common equity as determined during the most recent general rate proceeding of the Company;
 - (h) the current depreciation rates applicable to the AMI Infrastructure Costs; and
 - (i) Operating Expense Savings.

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NATURAL GAS RATES

(General Service Classification)

ADVANCED METERING INFRASTRUCTURE (cont'd.)

- (10) In the event information pursuant to paragraphs 9. (f), (g) and (h) above are unavailable and the Commission is not provided with such information on an agreed-upon basis, the Commission shall utilize the average of the recommendations contained in the testimony submitted by the Company and Commission staff during the most recent general rate proceeding of the Company to determine the capital structure, recommended cost rates for debt and recommended cost of common equity to determine the average weighted cost of capital.
- (11) The monthly AMIS charge shall be allocated among the Company's classes of customers in the same manner as costs for the same type of facilities was allocated among classes of customers in the Company's most recent general rate proceeding. If that allocation is not available or determinable, the Commission shall utilize the average of the recommendations contained in the testimony submitted by the Company and the Commission staff regarding class allocation of costs.
- (12) The AMIS shall be charged to customers as a monthly fixed charge and not based on volumetric consumption.;
- (13) At the end of each twelve-month calendar period the AMIS is in effect, the Company will reconcile the differences between the revenues resulting from a AMIS and the appropriate pretax revenues as found by the Commission for that period and shall submit the reconciliation and a proposed AMIS adjustment to the Commission for approval to recover or refund the difference, as appropriate, through adjustments of the AMIS charge.
- (14) The AMIS implemented pursuant to this tariff shall be reset to zero when new base rates and charges become effective for the Company following a Commission order establishing customer rates in a general rate proceeding that incorporates in the utility's base rates, subject to paragraphs 16 and 17 below, eligible costs previously reflected in the currently effective AMIS;
- (15) Upon the inclusion in the Company's base rates subject to paragraphs 16 and 17 below, of eligible costs previously reflected in a AMIS, the Company shall immediately thereafter reconcile any previously un-reconciled AMIS revenues as necessary to ensure that revenues resulting from the AMIS match as closely as possible the appropriate pretax revenues as found by the Commission for that period.

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NATURAL GAS RATES

(General Service Classification)

ADVANCED METERING INFRASTRUCTURE (cont'd.)

- (16) Commission approval of a petition, and any associated rate schedules, to establish or change this tariff, shall in no way be binding upon the Commission in determining the ratemaking treatment to be applied to eligible technology and infrastructure investments during a subsequent general rate proceeding when the Commission may undertake to review the reasonableness and prudence of such costs. In the event the Commission disallows, during a subsequent general rate proceeding, recovery of costs associated with eligible technology and infrastructure investments previously included in a AMIS under this tariff, the Company shall offset its AMIS under this tariff in the future as necessary to recognize and account for any such over collections.
- (17) Nothing in this tariff shall be construed as limiting the authority of the Commission to review any technology and infrastructure investment costs along with other costs during any general rate proceeding of any Company.

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Rules, Regulations or Extension Policy

RULES AND REGULATIONS

**NATURAL GAS SERVICE
GENERAL**

DIVERSION OF NATURAL GAS

The existence of natural gas consuming devices installed ahead of the meter or any tampering or interfering with pipes, devices, or equipment connected to Company's distribution system or the damage to, alteration, or obstruction of any meter (including the breaking of meter seals) which will permit or make possible the use of natural gas without its proper registration on Company's meter shall constitute prima facie evidence of diversion of natural gas by the Customer in whose name service is being rendered, or by the person benefiting from the use of such diverted natural gas. In the event that a Company check meter registers more natural gas in the same interval of time than does the meter installed at Customer's premises after such meters shall have been tested and found to be registering within the limits of accuracy prescribed by the Public Utilities Commission of The State of Colorado, such fact shall also constitute prima facie evidence of diversion of natural gas.

In such instances, Company will, in any reasonable manner, compute the amount of diverted natural gas and shall have the right to enter Customer's premises and make an actual count of all natural gas consuming devices to aid in such computation. Where Company is unable to make such count, the computation will be based on any other available information or estimated. Such computation will be made for the period beginning with the date on which Customer began using natural gas at the location where the diversion occurred, unless evidence proves the diversion commenced at a later date, and ending with the date on which such diversion ceased. Bills for natural gas diverted based upon the aforesaid computation, under the applicable rate effective during the period of diversion, plus the cost of investigating and confirming such diversion and disconnecting service shall be due and payable upon presentation.

If service has been discontinued for diversion of natural gas, Company will not render service to Customer, or to any other person for Customer's use, at the same or any other location until:

1. Customer has paid all bills as set forth preceding,
2. Customer has paid to Company the installation cost of, or has had installed at Customer's expense, such entrance and service equipment as is necessary to prevent further diversion of natural gas, and
3. Customer has paid a \$400.00 Diversion of Service Fee.

The foregoing rules pertaining to Diversion of Natural Gas are not in any way intended to affect or modify any action or prosecution under the Criminal Statutes of the State of Colorado.

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Cancels Original Sheet No. R25

Rules, Regulations or Extension Policy	
RULES AND REGULATIONS NATURAL GAS SERVICE SERVICE LINE AND MAIN EXTENSION POLICY	
<p><u>Gas Main and Service Line Installations</u></p> <p><u>SERVICE LINES</u></p> <p>For gas service of a permanent character, the Company will install the necessary gas service meter, service regulator, and Service Line as set out herein.</p> <p>The ownership of the Service Line and meter shall be vested in the Company and the control of same shall remain with the Company while customer is connected to Company's distribution main. As a condition of receiving service, the customer shall be deemed to have granted an easement to the Company for all necessary facilities. For residential and commercial customers, the Construction Allowance for the construction of service lines is a flat amount of \$310.00. These customers are responsible for the cost of the Service Line in excess of \$310.00.</p> <p><u>GAS MAIN EXTENSIONS</u></p> <p>The following maximum Construction Allowances for the construction of gas main extensions will approximate the average embedded gross plant investment for distribution extension facilities for the respective class. Until revised by filing with the Commission, the allowances are:</p> <ol style="list-style-type: none"> 1. Residential Service - \$285.00 2. Commercial Service - \$1,490.00. Provided, however, Commercial service applicants having expected annual consumption less than or equal to 250 Mcf will receive the same allowance as a Residential customer. 	
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18	Proposed Rates							Total			
17			Facilities	Average	Dist. Sys		Commodity	Commodity	Total	\$	%
18	Division	Class	Charge	Mthly Ccf	Rate	GCA	Charge	Charge	Bill	Change	Change
19	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
20	Northeast Colorado	Residential	\$10.29	63.8	\$ 0.14745	\$ 0.56000	\$ 0.70745	\$ 45.13	\$55.42	\$3.14	6%
21		Commercial	\$24.15	388.9	0.11309	0.56000	0.67309	248.28	272.43	\$7.65	3%
22		Irrigation	\$40.00	470.3	0.09444	0.56000	0.65444	307.76	347.76	\$15.27	5%
23											
24	Northwest/Central Colorado	Residential	\$10.22	76.4	0.14757	0.53710	0.68467	52.34	62.56	\$0.52	1%
25		Commercial	\$24.14	379.2	0.11323	0.53710	0.65033	246.63	270.77	(\$3.13)	-1%
26											
27	Southeast Colorado	Residential	\$10.28	57.4	0.14794	0.57630	0.72424	41.55	51.83	\$1.69	3%
28		Commercial	\$24.14	221.5	0.11366	0.57630	0.68966	152.82	176.96	(\$13.57)	-7%
29		Irrigation	\$40.00	771.1	0.09444	0.57630	0.67074	517.21	557.21	\$12.09	2%
30											
31	Southwest Colorado	Residential	\$10.22	63.1	0.14833	0.43080	0.57913	36.54	48.76	(\$1.28)	-3%
32		Commercial	\$24.13	366.2	0.11341	0.43080	0.54421	199.26	223.39	(\$14.92)	-6%
33											
34	Buena Vista	Residential	10.22	68.2	0.14757	0.53710	0.68467	46.70	56.92	\$6.66	13%
35		Commercial	24.14	239.4	0.11323	0.53710	0.65033	155.72	179.86	\$14.62	9%

DOCKET NO. 09AL-507G

Stipulation Attachment E

ATMOS ENERGY CORPORATION
Depreciation Rate Settlement Summary
Direct Colorado Properties (Divs. 33-36, 41)

Page 1 of 2

Account	Description	ASL	Iowa Curve	Salvage	Cost of Removal	Net Salvage	Life Rate	COR Rate	Total Depr Rate
Intangible Plant									
30100	Organization	-	-	-	-	-	0.00%	0.00%	0.00%
30200	Franchises & Consents	-	-	-	-	-	0.00%	0.00%	0.00%
30300	Intangibles	-	-	-	-	-	0.00%	0.00%	0.00%
Distribution Plant									
37400	Land & Land Rights	-	-	-	-	-	0.00%	0.00%	0.00%
37402	Rights-of-Way	72.0	R5	0%	0%	0%	1.42%	0.00%	1.42%
37500	Structures & Improvements	39.0	S5	0%	0%	0%	2.34%	0.00%	2.34%
37600	Mains - Cathodic Protection	72.0	R4	0%	75%	-75%	1.52%	1.04%	2.56%
37601	Mains - Steel	72.0	R4	0%	75%	-75%	1.52%	1.04%	2.56%
37602	Mains - Plastic	72.0	R4	0%	75%	-75%	1.52%	1.04%	2.56%
37603	Mains - Anodes	15.0	SQ	0%	0%	0%	6.85%	0.00%	6.85%
37604	Mains - Leak Clamps & Sleeves	18.0	SQ	0%	0%	0%	5.64%	0.00%	5.64%
37800	Meas. & Reg. Sta. Eq-General	50.0	R2.5	0%	0%	0%	2.16%	0.00%	2.16%
37900	Meas. & Reg. - City Gate	40.0	R2	0%	0%	0%	2.92%	0.00%	2.92%
37908	Meas. & Reg. Sta. Equipment	40.0	R2	0%	0%	0%	2.92%	0.00%	2.92%
38000	Services	40.0	R3	0%	25%	-25%	2.81%	0.63%	3.43%
38100	Meters	33.0	S6	0%	35%	-35%	3.08%	1.06%	4.14%
38200	Meter Installations	33.0	S6	0%	35%	-35%	3.08%	1.06%	4.14%
38300	House Regulators	30.0	R2	0%	0%	0%	3.23%	0.00%	3.23%
38400	House Regulator Installations	33.0	S6	0%	35%	-35%	3.08%	1.06%	4.14%
38500	Ind. Meas. & Reg. Sta. Equip	20.0	R3	0%	0%	0%	4.55%	0.00%	4.55%
38700	Other Equipment	15.0	R5	0%	0%	0%	2.15%	0.00%	2.15%
General Plant									
38900	Land & Land Rights	-	-	-	-	-	0.00%	0.00%	0.00%
39000	Structures & Improvements	22.0	R5	0%	0%	0%	4.99%	0.00%	4.99%
39003	Improvements	22.0	R5	0%	0%	0%	4.99%	0.00%	4.99%
39100	Office Furniture & Equipment	15.0	SQ	0%	0%	0%	7.22%	0.00%	7.22%
39103	Office Furn. - Copiers & Type	15.0	SQ	0%	0%	0%	7.22%	0.00%	7.22%
39200	Transportation Equipment	15.0	L2	5%	0%	5%	7.00%	0.00%	7.00%
39300	Stores Equipment	25.0	R2	0%	0%	0%	4.00%	0.00%	4.00%
39400	Tools, Shop, & Garage Equip.	10.0	SQ	0%	0%	0%	10.63%	0.00%	10.63%
39500	Laboratory Equipment	7.0	SQ	0%	0%	0%	14.68%	0.00%	14.68%
39600	Power Operated Equipment	8.0	L3	5%	0%	5%	12.57%	0.00%	12.57%
39603	Ditchers	8.0	L3	5%	0%	5%	12.57%	0.00%	12.57%
39604	Backhoes	8.0	L3	5%	0%	5%	12.57%	0.00%	12.57%
39605	Welders	8.0	L3	5%	0%	5%	12.57%	0.00%	12.57%
39700	Communication Equipment	12.0	S5	0%	0%	0%	8.45%	0.00%	8.45%
39701	Communication Equip.	12.0	S5	0%	0%	0%	8.45%	0.00%	8.45%
39702	Comm. Equip. - Fixed Radios	10.0	SQ	0%	0%	0%	10.50%	0.00%	10.50%
39705	Comm. Equip. - Telemetry	5.0	SQ	0%	0%	0%	23.27%	0.00%	23.27%
39800	Miscellaneous Equipment	10.0	SQ	0%	0%	0%	11.62%	0.00%	11.62%
39900	Other Tangible Property	15.0	SQ	0%	0%	0%	7.00%	0.00%	7.00%
39901	Oth Tang Prop - Servers - H/W	7.0	SQ	0%	0%	0%	16.26%	0.00%	16.26%
39902	Oth Tang Prop - Servers - S/W	7.0	SQ	0%	0%	0%	14.29%	0.00%	14.29%
39903	Oth Tang Prop - Network - H/W	7.0	SQ	0%	0%	0%	14.53%	0.00%	14.53%
39905	Oth Tang Prop - Mainframe	7.0	SQ	0%	0%	0%	14.53%	0.00%	14.53%
39906	Oth Tang Prop - PC Hardware	5.0	SQ	0%	0%	0%	23.70%	0.00%	23.70%
39907	Oth Tang Prop - PC Software	5.0	SQ	0%	0%	0%	29.30%	0.00%	29.30%
39908	Oth Tang Prop - Appl Software	7.0	SQ	0%	0%	0%	14.29%	0.00%	14.29%

Note: For the Direct Colorado Properties, the Company is to record retirements of the property when assets reach an age equal to the average service life for accounts 37603 - Anodes, 37604 - Leak Clamps and Sleeves, and all General Plant accounts except for 390xx, 39200, and 396xx.

DOCKET NO. 09AL-507G

Stipulation Attachment E

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ATMOS ENERGY CORPORATION
Depreciation Rate Settlement Summary
COKS General Office (Div. 30) and SSU (Divs. 02 & 12)

Account	Description	ASL	lowa Curve	Salvage	Cost of Removal	Net Salvage	Life Rate	COR Rate	Total Depr Rate
COKS General Office									
39100	Office Furniture & Equipment	15.0	SQ	0%	0%	0%	8.44%	0.00%	8.44%
39103	Office Furn. - Copiers & Type	15.0	SQ	0%	0%	0%	8.44%	0.00%	8.44%
39400	Tools, Shop, & Garage Equip.	10.0	SQ	0%	0%	0%	16.57%	0.00%	16.57%
39700	Communication Equipment	12.0	S5	0%	0%	0%	8.45%	0.00%	8.45%
39800	Miscellaneous Equipment	10.0	SQ	0%	0%	0%	15.46%	0.00%	15.46%
39901	Oth Tang Prop - Servers - H/W	7.0	SQ	0%	0%	0%	21.81%	0.00%	21.81%
39903	Oth Tang Prop - Network - H/W	7.0	SQ	0%	0%	0%	15.55%	0.00%	15.55%
39906	Oth Tang Prop - PC Hardware	5.0	SQ	0%	0%	0%	25.25%	0.00%	25.25%
39907	Oth Tang Prop - PC Software	5.0	SQ	0%	0%	0%	25.70%	0.00%	25.70%
Shared Services Unit									
39000	Structures & Improvements	12.0	S4	0%	0%	0%	9.10%	0.00%	9.10%
39009	Leasehold Improvements	12.0	S4	0%	0%	0%	9.10%	0.00%	9.10%
39100	Office Furniture & Equipment	25.0	R4	0%	0%	0%	2.13%	0.00%	2.13%
39101	Office Furniture & Equipment	25.0	R4	0%	0%	0%	2.13%	0.00%	2.13%
39102	Remittance Processing Equip.	-	-	-	-	-	10.32%	0.00%	10.32%
39103	Office Furn. - Copiers & Type	-	-	-	-	-	10.32%	0.00%	10.32%
39200	Transportation Equipment	-	-	-	-	-	10.32%	0.00%	10.32%
39300	Stores Equipment	-	-	-	-	-	10.32%	0.00%	10.32%
39400	Tools, Shop, & Garage Equip.	-	-	-	-	-	10.32%	0.00%	10.32%
39500	Laboratory Equipment	-	-	-	-	-	10.32%	0.00%	10.32%
39700	Communication Equipment	12.0	S5	0%	0%	0%	8.45%	0.00%	8.45%
39800	Miscellaneous Equipment	15.0	S3	5%	0%	5%	8.15%	0.00%	8.15%
39809	Insertor	15.0	S3	5%	0%	5%	8.15%	0.00%	8.15%
39900	Other Tangible Property	7.0	R5	0%	0%	0%	4.66%	0.00%	4.66%
39901	Oth Tang Prop - Servers - H/W	10.0	SQ	0%	0%	0%	6.95%	0.00%	6.95%
39902	Oth Tang Prop - Servers - S/W	10.0	SQ	0%	0%	0%	4.00%	0.00%	4.00%
39903	Oth Tang Prop - Network - H/W	10.0	SQ	0%	0%	0%	9.30%	0.00%	9.30%
39904	Oth Tang Prop - Mainframe CPU	-	-	-	-	-	10.32%	0.00%	10.32%
39905	Oth Tang Prop - Mainframe - H/W	-	-	-	-	-	10.32%	0.00%	10.32%
39906	Oth Tang Prop - PC Hardware	7.0	S1	0%	0%	0%	14.86%	0.00%	14.86%
39907	Oth Tang Prop - PC Software	8.5	R5	0%	0%	0%	9.02%	0.00%	9.02%
39908	Oth Tang Prop - Appl Software	10.0	S3	0%	0%	0%	11.11%	0.00%	11.11%
39909	Oth Tang Prop - Mainframe - S/W	-	-	-	-	-	10.32%	0.00%	10.32%
39924	General Startup Costs	10.0	SQ	0%	0%	0%	15.89%	0.00%	15.89%

Note: For the COKS General Office (Div 30), the Company is to record retirements of the property when assets reach an age equal to the average service life.

STIPULATION ATTACHMENT F

Atmos Energy Corporation

AMI Pilot Project Proposal

Atmos Energy Corporation is requesting that an Advanced Metering Infrastructure (AMI) be implemented in Greeley, Colorado. AMI requires the installation of a device on all meters that will record hourly measurement activity and will report daily this information. The data will become available to our customers to aid in managing their usage of natural gas. The pilot to be conducted in the Greeley distribution system will provide advanced metering at approximately 34,650 meter locations. The infrastructure cost to deploy the project is estimated to be \$2,959,266 or \$85 per AMI meter excluding overheads.

Installation of equipment necessary for this pilot program will begin in April 2010 with an anticipated completion date of September 2010. Subsequent to the completion of such installation, the pilot program shall be conducted for a period of one year. This will allow sufficient time to gather all relevant data so as to allow a reasonable decision to be made as to whether the program should be continued and/or expanded. General information related to the AMI equipment is detailed below. Once installation has been completed, Atmos will make a filing with the Commission to implement a surcharge to recover the actual costs incurred related to equipment outlined in this proposal. The surcharge will be billed to our customers until the next general rate case at which time the investment and cost recovery would be rolled into base rates.

Advanced Metering Infrastructure (AMI)

- Utilizes a fixed network system: Sensus FlexNet
- Devices are installed on the existing meter
- Communications equipment installed on existing pole or tower with a 7 mile range of coverage
- Devices transmit their readings from the meter to the towers
- The tower transfers the data to a central database
- Data is collected on hourly and daily basis
- Problems with meters can be detected in advance of the billing cycle

There are three main areas of benefit from the AMI pilot program -- work practice changes, increased customer service and positive environmental impact.

Work Practice Changes

- Meter readers currently walk to every location and record the monthly reading. In FY09 (October 1, 2008 – September 30, 2009) this equated to 6,415 man hours, most of which can be eliminated by AMI.
- Of the 16,000 service orders per year, we estimate that 75% of the service orders can be addressed automatically with AMI. This equates to a savings of 4,000 man hours per year.

- In FY09, approximately 6130 Greeley customers finalized their service with Atmos. On the same day, at the same location we also turned most of these services back on for a new customer. AMI technology will allow Atmos to transfer service without having to manually take a final reading at the customer location when a new customer is taking over service on the same day at the same location. Our estimates show this service alone has the potential to save us 1,000 man hours a year.
- Safety is of primary concern for Atmos and each year we have meter readers suffering the effects of dog and insect bites, trips, falls and twisted ankles from walking the many miles they cover each year. We expect a decrease to occur when we can minimize safety related injuries directly related to meter reading.

Customer Service

- Customer generated requests and meter reading exceptions totaled 6,747 orders in FY09. By using the AMI system, the accuracy of the readings will eliminate these exceptions.
- Customers benefit by reduced time spent calling to inquire about billing/usage. The agent taking the call will have the information available eliminating the need for the customer to have multiple calls for one request.
- Problems can be detected in advance of the billing cycle as information is transferred in real time.
- Hourly and daily information allows a customer the opportunity to monitor their gas usage for energy efficiency.
- Customers have been very vocal about how much they dislike having meter readers in their yard. AMI gives customers their privacy back.

Environmental Impact

- AMI will eliminate onsite orders reducing the miles driven by meter readers 100,000 miles annually. This has a positive green impact on CO2 emissions and the carbon footprint.

Attached is the pilot deployment cost, a map of the customer footprint in Greeley, a snapshot visual of the product and process and a copy of two different versions of the information available, 24 hours a day.

Atmos Energy
Advanced Metering Fixed Based System Pilot
Greeley, Colorado

SmartPoint Devices	Residential	33,773	\$ 51.00	\$ 1,722,423
	Commercial	874	\$ 89.00	\$ 77,786
	Misc. Components			\$ 659,102
AMI Network	TGB Outdoor	2	\$ 102,000.00	\$ 204,000
Installation Tools		15	\$ 5,000.00	\$ 75,000
Project Management				\$ 80,000
Contingency 5%				<u>\$ 140,915</u>
Total				<u><u>\$ 2,959,226</u></u>

Work Practice Changes	<p>Meter readers currently walk to every location and record the monthly reading. In FY09 (October 1, 2008 – September 30, 2009) this equated to 6,415 man hours, most of which can be eliminated by AMI.</p> <p>Revise or confirm the meter reading time saving estimate</p>
	<p>Of the 16,000 service orders per year, we estimate that 75% of the service orders can be addressed automatically with AMI. This equates to a savings of 4,000 man hours per year.</p> <p>Calculate the number of service orders worked using AMI and calculate savings</p>
	<p>In FY09, approximately 6130 Greeley customers finalized their service with Atmos. On the same day, at the same location we also turned most of these services back on for a new customer. AMI technology will allow Atmos to transfer service without having to manually take a final reading at the customer location when a new customer is taking over service on the same day at the same location. Our estimates show this service alone has the potential to save us 1,000 man hours a year.</p> <p>Calculate the number of move-out / move-in trips saved and corresponding savings calculation</p>
	<p>Safety is of primary concern for Atmos and each year we have meter readers suffering the effects of dog and insect bites, trips, falls and twisted ankles from walking the many miles they cover each year. We expect a decrease to occur when we can minimize safety related injuries directly related to meter reading.</p> <p>It is not possible to quantify dog bites, etc. that did not occur. Can provide a general discussion. Also, we could calculate meter reader vehicle accident reductions by comparing prior history to actual.</p>
Customer Service	<p>Customer generated requests and meter reading exceptions totaled 6,747 orders in FY09. By using the AMI system, the accuracy of the readings will eliminate these exceptions.</p> <p>Revise or confirm the meter reading exceptions savings</p>
	<p>Customers benefit by reduced time spent calling to inquire about billing/usage. The agent taking the call will have the information available eliminating prior to the installation of AMI versus post-the need for the customer to have multiple calls for one request.</p> <p>A general comparison of service orders generated prior to the installation of AMI versus post-installation with estimated cost savings calculations.</p>
	<p>Problems can be detected in advance of the billing cycle as information is transferred in real time.</p> <p>Quantify the number of times we had early detection of a problem and calculate corresponding savings.</p>
	<p>Hourly and daily information allows a customer the opportunity to monitor their gas usage for energy efficiency.</p> <p>Customers that have lowered their consumption by 10% will be contacted by Atmos to find out if it was due to AMI monitoring or Atmos' "Excess Is Out" DSM program.</p>

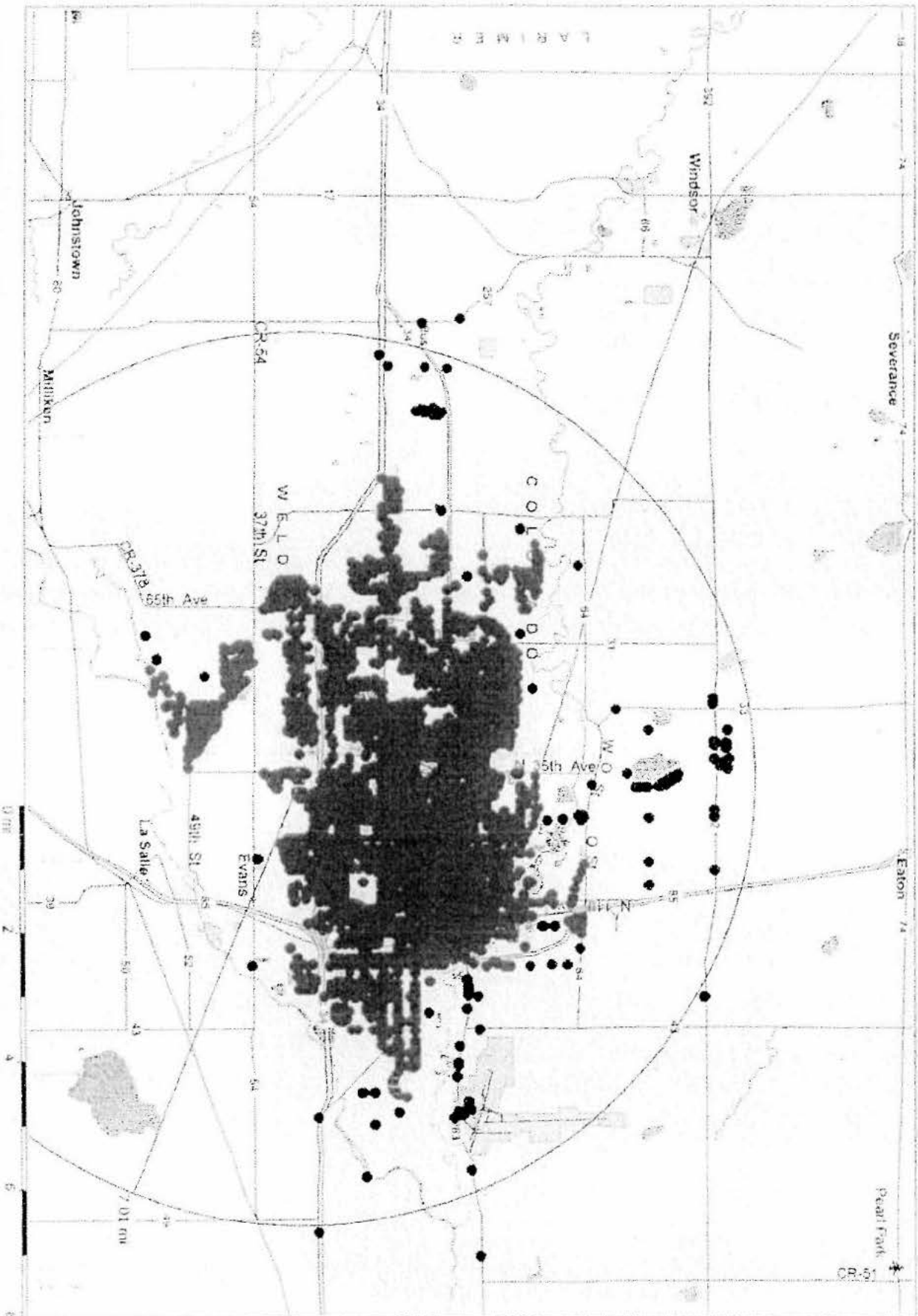
Customers have been very vocal about how much they dislike having meter readers in their yard. AMI gives customers their privacy back.

No associated savings.

AMI will eliminate onsite orders reducing the miles driven by meter readers 100,000 miles annually.

Environmental Impact This has a positive green impact on CO2 emissions and the carbon footprint.

Revise or confirm the mileage savings estimate.



the same time, the fact that the system is not yet fully developed, and that it is still in the process of being refined, is also a source of concern. The system is still in the process of being refined, and it is still in the process of being refined.

