

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

Colo. P.U.C. No. 7 Gas  
Tenth Revised Sheet No. 5  
Cancels Ninth Revised 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, and gas price management costs 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 October 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Field Line Purchases (801), Transmission Line Purchases (803), City Gate Purchases (804), Exchange Gas (806), Gas Withdrawn from Storage less Gas Injected into Storage (808), Gas Used for Products Extraction (811), Gas Used for Other Utility Operations (812), and Transmission and Compression of Gas by Others (858). In addition, and in accordance with the authorizations granted in Docket Nos. 12L-213G and 14L-0254G, gas price management costs, incurred to mitigate the volatility of gas prices, as an approved part of Atmos’ gas procurement strategy, shall include but are not limited to those resulting from Atmos Energy’s use of the following financial instruments: swap agreements, basis swap agreements, and call options. In addition, in accordance with the authorization granted in Proceeding No. 22AL-0348G, Gas Storage Inventory Cost shall be included.

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**CCF** – 100 cubic feet of gas at Billing Pressure Base. All Residential, Small Commercial and Commercial meters are measured in CCF. All Residential customers are billed in CCF. Small Commercial and 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.

**Average Gas Storage Inventory Balance** - The annual average of the forecasted or actual monthly average gas storage inventory balances for the GCA Effective Period.

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**Gas Storage Inventory Cost** - A rate component of the GCA, expressed in CCF, which is the return applied to the Average Gas Storage Inventory Balance divided by the forecasted or actual sales gas quantity. The return applied to the Average Gas Storage Inventory Balance shall be based on the Company’s cost to maintain current short-term credit facilities allocated based on average outstanding Colorado gas storage inventory divided by Atmos Energy’s distribution gas storage inventory.

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

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Colo. P.U.C. No. 7 Gas  
Fourth Revised Sheet No. 6  
Cancels Third Revised Sheet No. 6

**NATURAL GAS RATES**  
**Gas Cost Adjustment (continued)**

**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) + (Gas Storage Inventory Cost / Forecasted Sales Gas  
Quantity)

Current Gas Cost will be updated at least once per year as required by the Commission's Gas Cost Adjustment Rules in the Company's annual GCA filing effective October 1. In addition, if the projected gas costs change from those used to calculate the currently effective Current Gas Cost, the Company may file an application to revise its currently effective GCA to reflect such changes, provided that the resulting change to the GCA equates to at least one cent (\$0.01) per Mcf.

**DEFERRED GAS COST**

Deferred Gas Cost shall be calculated to the nearest mil (\$0.001) per Mcf by taking the aggregate total of the under- or over- Recovered Gas Costs reflected in the utility's recovery accounts recorded at the close of business for each month of the previous Gas Purchase Year, calculated by subtracting Recovered Gas Cost from the sum of Actual Gas, plus Interest on Under- or Over-Recovery (if net amount is negative), divided by Forecasted Sales Gas Quantity. The interest rate used is equal to the current interest rate for meter deposits listed on Sheet No. R5A.

A revised Deferred Gas Cost will be effective beginning October 1 of each year. The revised Deferred Gas Cost will replace the previous Deferred Gas Cost included in the Company's GCA Rates. The Deferred Gas Cost shall also be adjusted for Gas Cost amounts which are uncollectible.

**RECOVERED GAS COST**

Recovered Gas Cost will be calculated monthly by applying the Gas Cost Adjustment to the actual sales volumes for the month.

**GAS COST ADJUSTMENT**

The following formula is used to determine the Gas Cost Adjustment Amount: Gas Cost Adjustment= A + B

A = Current Gas Cost B = Deferred Gas Cos

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Colo. P.U.C. No. 7 Gas  
 Second Revised Sheet No. 6A  
 Cancels First Revised Sheet No. 6A

**NATURAL GAS RATES**  
 Gas Cost Adjustment (continued)

**GAS COST ADJUSTMENT (continued)**

<u>Type of Charge</u>	<u>N</u>	<u>SE</u>	<u>SW</u>	
Residential, Small Commercial & Commercial, and Irrigation Service:				
Gas Cost Adjustment (GCA):				
Commodity	\$0.49785	\$0.46302	\$0.55791	I, I, I
Upstream Pipeline	\$0.21480	\$0.01135	\$0.00515	
Deferred Gas Cost	<u>\$0.06250</u>	<u>\$0.07400</u>	<u>\$0.07010</u>	
Total GCA	\$0.77515	\$0.54837	\$0.63316	I, I, I
Transportation Service:				
Transportation Gas Cost Adj.	\$0.00090	\$0.00090	\$0.00090	