



2005.05.19 09:25:07  
Kansas Corporation Commission  
/S/ Susan K. Duffe

May 17, 2005

Ms. Susan Duffe  
Executive Director  
Kansas Corporation Commission  
1500 S.W. Arrowhead Drive  
Topeka, Kansas 66604

Re; Docket Number <sup>05</sup>~~05~~-ATMG-617-HED

Dear Ms. Duffe:

STATE CORPORATION COMMISSION

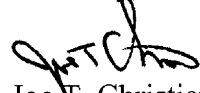
MAY 19 2005

 Docket  
Room

In Compliance with the Commission order issued in this docket on May 11, 2005, Atmos Energy Corporation hereby submits an original and two copies of "Schedule V: Purchased Gas Adjustment (PGA); Section 3 – PURCHASED GAS COST SURCHARGES; A. Gas Hedge Program".

If you have any questions or need additional information, please feel free to contact me at 303.831.5667.

Sincerely,

  
Joe T. Christian

Enclosures

cc: James G. Flaherty

## THE STATE CORPORATION COMMISSION OF KANSAS

SCHEDULE V: Purchased Gas Adjustment (PGA)ATMOS ENERGY CORPORATION

(Name of Issuing Utility)

Replaces Sheet 8 of 8 of Purchased Gas  
Adjustment (PGA) dated February 1, 2004ENTIRE SERVICE AREA

(Territory to which schedule is applicable)

No supplement or separate understanding  
shall modify the tariff as shown hereon.

Sheet 8 of 8 Sheets

The balance in said refund account shall be added to any subsequent refund before computing a new refund adjustment.

5. In the event any refund received from the Company's supplier is less than the equivalent of \$.002 per Ccf for purchased gas for a rate area, said refund shall be credited to the refund account. The credit balance in said account, exclusive of those amounts which have been included in the calculation of refunds then in progress, shall be accumulated to the equivalent of \$.002 per Ccf for purchased gas before commencing a subsequent refund as hereinabove provided.

SECTION 3 - PURCHASED GAS COST SURCHARGESA. Gas Hedge Program

The Company shall operate its Gas Hedge Program pursuant to the relevant order in Docket No. 05-ATMG-617-HED. Costs and revenues associated with any purchase or sale of straight call options, and other alternative risk management strategies, such as call spreads, the net balance of which shall not exceed approved annual budget amount. , The estimated net balance shall be recovered as a separate cost component during the months of April through October each year from all PGA customers except irrigation. Any over or under recovery, and any of the allowed budget amount not used by the Company over the course of the Hedge Program year, shall be reflected in the Company's next ACA filing. Costs and revenues generated from the settlement of all financial derivatives shall be flowed back as a separate component during the months of November through March to all PGA customers except irrigation. This settlement component shall be a volumetric charge or credit that is calculated each month from November to March by dividing the monthly estimated hedge payoff amount by the sales volume projected to occur during that respective month. The estimated payoff amount shall be adjusted to the actual payoff amount in the following month's calculation of the settlement component. No settlement component will be added if it is less than \$.002 per Ccf, rather the amount will be accumulated until the component results in a rate more than \$.002 per Ccf.

Issued: May 17, 2005Effective: April 1, 2005By \_\_\_\_\_ VP-Rates & Reg Affairs  
Signature of Officer Title