

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Application of Atmos)
Energy for Adjustment of its Natural Gas Rates)
in the State of Kansas)

Docket No. 12-ATMG-564-RTS

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on

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STATE OF KANSAS)
) ss:
COUNTY OF JOHNSON)

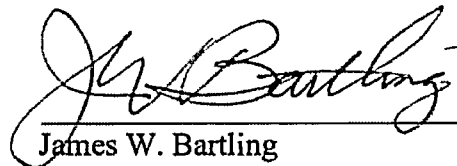
by
State Corporation Commission
of Kansas

I, James W. Bartling, of lawful age, being first duly sworn on oath, states:

That I am manager public affairs of Atmos Energy ("Atmos");

That a copy of the Notice of Public Hearing Concerning Natural Gas Service Rate Increase Request, a copy of which is attached hereto as Exhibit "A", has been mailed to the customers of Atmos as a bill insert, beginning on 7 March, 2012, and continuing through 4 April, 2012, informing Atmos' customers of a public hearing regarding its application for a rate increase.

Further affiant saith naught.


James W. Bartling

SUBSCRIBED AND SWORN to before me this 16th day of April, 2012.

Nancy Landers

Notary Public

Appointment/Commission Expires: 08.06.14

James G. Flaherty

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NOTICE OF PUBLIC HEARING CONCERNING NATURAL GAS SERVICE RATE INCREASE REQUEST



Atmos Energy (Atmos) has filed an application with the Kansas Corporation Commission (Commission) requesting an annual increase in rates for natural gas service of \$9.7 million or approximately twenty percent (20%). The requested increase would only affect the portions of a customer's bill that relate to the delivery of gas by Atmos to customers, including the fixed monthly Facility Charge and per hundred cubic feet (Ccf) Commodity Charge.

The rate case does not involve the cost incurred by Atmos to purchase natural gas supplies and to obtain delivery and storage of those supplies from interstate pipelines, which is reflected on your bill as the Purchased Gas Adjustment (PGA). The cost to purchase natural gas supplies is not regulated and is subject to market forces, such as, supply and demand, storage volumes, and weather. The cost to obtain delivery and storage of those natural gas supplies from interstate pipelines is regulated by the Federal Energy Regulatory Commission in Washington, D.C.

ATMOS ENERGY'S PROPOSAL

Under the company's proposal, overall rates for natural gas service would increase by \$9.7 million. Atmos' last rate increase of \$3.855 million was approved on July 30, 2010.

For residential customers, Atmos has requested an overall increase that will increase the average monthly bill approximately \$5.36 per month, which is a 21.7% increase. This includes a request to increase the monthly Facility Charge from \$15.50 per month to \$19.00

per month, and an increase in the Commodity Charge from \$.12953 per Ccf to \$.15576 per Ccf for all residential customers. Note: The average residential customer uses 852 Ccf per year.

For commercial customers, Atmos has requested an overall increase that will increase the average monthly bill approximately \$14.25, which is a 19.6% increase. This includes a request to increase the monthly Facility Charge from \$37.00 per month to \$44.00 per month, and an increase in the Commodity Charge from \$.12953 per Ccf to \$.15576 per Ccf for all general service customers.

In its application, Atmos said the increase was necessary because while rates have not increased for some time, the company has continued to make investments in its system to provide safe, reliable and efficient natural gas service to its customers. The company further stated it has experienced increases in wages, medical expenses, and material and supplier costs.

Atmos' corporate office is located in Dallas, Texas. It is one of the largest pure natural gas distribution companies in the United States, supplying natural gas service to over 3 million customers in 12 states. In Kansas, Atmos provides natural gas service to approximately 128,000 customers.

ABOUT THE COMMISSION

The Commission regulates public utilities including home telephone, natural gas, electric and water companies, as well as motor carriers, oil and gas pipeline, and oil and gas producers. The Commission's regulatory oversight of public utilities primarily pertains to rates and

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terms of service. In order to ensure that customers of regulated utilities are provided sufficient and efficient service at just and reasonable rates; utilities may not change their rates without Commission approval.

PUBLIC HEARING

The Commission has scheduled a public hearing to allow Atmos customers the opportunity to ask questions and make comments about the proposal. The public hearing is scheduled for:

**Wednesday, April 25, 2012, Beginning at 6 p.m.
Olathe City Hall, Council Chambers
100 E. Santa Fe, Olathe, Kansas 66061**

Video conferencing technology will be used to allow Atmos customers in other areas of the state an opportunity to address the Commission. The locations for video conferencing are:

**Independence Community College, Academic Building, Room AC 104
1057 W. College Ave., Independence, Kansas 67301**

**Hillsboro High School
500 East Grand Avenue, Hillsboro, KS 67063**

**Ulysses High School, I.TV Conference Room
501 North McCall Street, Ulysses, Kansas 67880**

Any person requiring special accommodations at any of the hearing sites under the Americans with Disabilities Act needs to give notice to the Commission at least 10 days prior to the scheduled hearing date by calling (785) 271-3140.

PUBLIC COMMENT PERIOD

The Commission will also accept written comments from Atmos customers through July 11, 2012. Comments regarding the case should reference Docket No. 12-ATMG-564-RTS and may be sent to the Kansas Corporation Commission, Office of Public Affairs and Consumer Protection, 1500 S.W. Arrowhead Road, Topeka, Kansas 66604, or emailed to public.affairs@kcc.ks.gov, or you may call 1-800-662-0027.

EVIDENTIARY HEARING

The Commission will conduct an evidentiary hearing on the Atmos rate increase request beginning July 16, 2012, at 9:00 a.m. in the first floor hearing room at its Topeka office. At this hearing Commission staff, Atmos representatives, and Citizens' Utility Ratepayer Board ("CURB") will present their case to the Commission. The Commission must issue a decision by September 24, 2012.

ADDITIONAL INFORMATION

A complete copy of Atmos' application and supporting testimony is available on the Commission's website at: <http://kcc.ks.gov>, searching Docket Filings for Docket No. 12-ATMG-564-RTS. If you need additional assistance or more information about the requested rate increase or the public hearing, contact the Commission's Office of Public Affairs and Consumer Protection at 1-800-662-0027, or public.affairs@kcc.ks.gov.