

**BEFORE THE
RAILROAD COMMISSION OF TEXAS**

APPLICATION OF ATMOS ENERGY CORP., WEST TEXAS DIVISION FOR THE TEST YEAR 2013 ANNUAL INTERIM RATE ADJUSTMENT PROGRAM FOR THE ENVIRONS AREAS.	§ § § § §	GAS UTILITIES DOCKET NO. 10349
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INTERIM RATE ADJUSTMENT ORDER

Notice of Open Meeting to consider this Order was duly posted with the Secretary of State within the time period provided by law pursuant to TEX. GOV'T CODE Chapter 551. The Railroad Commission of Texas adopts the following findings of fact and conclusions of law and orders as follows:

FINDINGS OF FACT

Background

1. Atmos Energy Corporation (Atmos) is a "gas utility," as that term is defined in the TEXAS UTILITY CODE, and is subject to the jurisdiction of the Railroad Commission of Texas (Commission).
2. Atmos Energy Corporation, West Texas Division (Atmos), a division of Atmos, owns and operates a gas distribution system (Distribution).
3. On April 14, 2014, Atmos filed an application for an annual interim rate adjustment (IRA) applicable to customers located in its West Texas Rate Division environs areas.
4. Atmos requested that the interim rate adjustments for all customer classes become effective on June 13, 2014.
5. On April 15, 2014, the Commission suspended implementation of Atmos' proposed interim rate adjustments until July 28, 2014, which would be 45 days following the 60th day after the application would be considered complete.
6. TEX. UTIL. CODE, §104.301 does not provide a remedy for parties that oppose an annual interim rate adjustment.

7. 16 TEX. ADMIN. CODE, §7.7101 allows written comments or a protest concerning the proposed interim rate adjustment to be filed with the Gas Services Division.
8. No letters of protest or comments were received by the Commission in this docket.
9. Neither TEX. UTIL. CODE, §104.301 nor 16 TEX. ADMIN. CODE, §7.7101 provides the opportunity for parties to intervene in the Commission's review of an application for an annual interim rate adjustment.
10. This docket is the first annual interim rate adjustment for the distribution system environs of Atmos Energy Corp., West Texas Division following GUD No. 10174.
11. Until promulgation of TEX. UTIL. CODE, §104.301, a utility could not increase its rates applicable to environs customers without filing with the Commission a formal statement of intent rate case, including a comprehensive cost of service rate review.
12. Atmos' proposed interim rate adjustments will allow Atmos an opportunity to recover, subject to refund, a return on investment, depreciation expense, and related taxes on the incremental cost of infrastructure investment since its last rate case, GUD No. 10174, without the necessity of filing a statement of intent rate case and without review by the Commission of Atmos' comprehensive cost of service.

Applicability

13. This docket applies to only those rates over which the Commission has original jurisdiction, including all of the Distribution system environs customers.
14. For the environs areas, Atmos' year-end customer counts by class for 2013 was; 19,143 residential customers, 2,267 commercial customers, 116 industrial transport customers, 139 public authority customers, and 29 state institution customers.¹

Most Recent Comprehensive Rate Case

15. Atmos' most recent rate case for the area in which the interim rate adjustment will be implemented is GUD No. 10174, *Statement of Intent Filed by Atmos Energy Corporation To Increase Gas Utility Rates Within Unincorporated Areas Served by Atmos Energy Corporation, West Texas Division*.
16. GUD No. 10174 was filed on June 6, 2012.

¹ Response to Staff's RFI No. I-04.

17. The data used in GUD No. 10174 was based on a test-year ending September 30, 2011 updated through March 31, 2012 for known and measurable changes.
18. The Commission signed the GUD No. 10174 Final Order on October 2, 2012, and the rates became effective the same day.
19. The base rates currently charged by Atmos were set by the Commission in GUD No. 10174.
20. The following chart shows the factors that were used for Distribution to establish or used in the Final Order setting rates in GUD No. 10174 to calculate the return on investment, depreciation expense, incremental federal income tax, and ad valorem taxes.

CALCULATION FACTORS

Factor	Distribution
Rate of return	8.57%
West Texas Depreciation Rate	4.02%
Federal Income Tax Rate	35%
West Texas Ad Valorem Tax Rate	1.03%

Interim Rate Adjustment

21. Atmos seeks approval from the Commission for an adjustment to its revenue, based on incremental net utility plant investment, with regard to the following components: return on investment; depreciation expense; ad valorem taxes; revenue related taxes; and federal income taxes.
22. The revenue amounts to be recovered through Atmos' proposed annual interim rate adjustments are incremental to the revenue requirement established in Atmos' most recent rate case for the area in which the interim rate adjustment is to be implemented, GUD No. 10174.
23. Under TEX. UTIL. CODE § 7.7101(f)(3), for the first IRA following the most recent rate case, a utility may adjust its rates based on the difference between invested capital at the end of the most recent rate case test-year and the invested capital at the end of the calendar year following the end of the most recent rate case test-year.
24. In this first interim rate adjustment following the most recent rate case, GUD No. 10174, Atmos adjusted its rates based on the difference between Distribution's invested capital at the end of the most recent rate case test-year (September 30, 2011 updated through March 31, 2012) and the invested capital at the end of the calendar-year following the end of the most recent rate case test-year (December 31, 2013).

25. The value of Atmos' invested capital is equal to the original cost of the investment at the time the investment was first dedicated to public use minus the accumulated depreciation related to that investment for Distribution's interim rate adjustments.
26. Atmos' incremental revenue requirement under the proposed interim rate adjustment is \$10,282,086 for Distribution, as shown in Exhibit B.
27. It is reasonable that, subsequent to filing the IRA in this docket, Atmos has removed \$2,498, the portion of Shared Services Project No. 010.18585 allocated to Atmos West Texas, as well as \$5,362, the portion of Shared Services Project No. 010.21028 allocated to Atmos West Texas, in the original request filed on April 14, 2014.
28. It is reasonable for Atmos to retain the right to include costs in Finding of Fact 27 in the next Statement of Intent filing.
29. Atmos is required to use the same factors to calculate the interim return on investment, depreciation expense, and incremental federal income tax as those established or used in the final order setting rates in Atmos' most recent rate case for the area in which the interim rate adjustment is to be implemented.
30. Atmos is required to allocate the revenue to be collected through the interim rate adjustment among its customer classes in the same manner as the cost of service was allocated among its customer classes in its most recent rate case for the area in which the interim rate adjustment is to be implemented.
31. Atmos proposed the interim rate adjustment as a flat rate to be applied to the monthly customer charges and monthly meter charges rather than as a volumetric rate to be applied to the initial block usage rates.
32. Atmos is required to show its annual interim rate adjustments on its customers' monthly billing statements as a surcharge.
33. As required by TEX. UTIL. CODE, §104.301(f), Atmos filed an annual earnings monitoring report with its application. The earnings monitoring report states that Atmos' actual rate of return in 2013 was 5.86% as compared with the 8.568% allowed rate of return established in GUD No. 10174.
34. Under TEX. UTIL. CODE § 7.7101(l), Atmos West Texas must file a rate case, Statement of Intent, supporting the IRA's not later than 180 days after the fifth anniversary of the effective date of its initial IRA, or by December 14, 2019.
35. Under TEX. ADMIN. CODE § 7.7101(j), "any change in investment and related expenses and revenues that have been included in any interim rate adjustment shall be fully subject to review for reasonableness and prudence" in the next rate case. Per TEX. ADMIN. CODE

§ 7.7101(i), “all amounts collected from customers under an interim rate adjustment tariff” are subject to refund until the conclusion of the next rate case.

36. When the Customer Charge and proposed 2013 Interim Rate Adjustments (Columns B and C) are added, the resulting customer charge for affected customer classes is shown in Column D of the table below.

West Texas Rate Division Customer Charges and Interim Rate Adjustments (IRA)

Customer Class	Customer Charge (GUD 10174)	IRA - 2013 (GUD 10349)	New Customer Charge
A	B	C	D
Residential	\$ 13.50	\$ 2.36	\$ 15.86
Commercial	\$ 30.00	\$ 6.49	\$ 36.49
Industrial/Transportation	\$ 275.00	\$ 75.59	\$ 350.59
Public Authority	\$ 75.00	\$ 19.94	\$ 94.94
State Institution	\$ 75.00	\$ 21.27	\$ 96.27

37. Atmos filed its Annual Project Report as required by 16 TEX. ADMIN. CODE § 7.7101(d).
- The change in utility plant investment for the 21-month test period is \$87,225,171 before retirements, transfers, and adjustments, and \$72,404,884 after retirements, transfers and adjustments.² Net capital additions included in this docket totaled \$ 58,841,349.³
 - Safety-related capital project additions totaled \$ 48,344,339.⁴
 - Safety-related improvements/infrastructure projects are 82.16% of total net additions.⁵
 - Integrity testing projects are 0.00% of total net additions, as Atmos expenses, rather than capitalizes, integrity testing costs.⁶

² Application, Tab 4, Summary Assets Activity.

³ Schedule IRA – 3.

⁴ Response to Staff’s RFI No. 1-06.

⁵ Response to Staff’s RFI No. 1-06.

⁶ Response to Staff’s RFI No. 1-08.

38. Atmos West Texas is required to allocate the revenue to be collected through the IRA among its customer classes in the same manner as the cost of service was allocated among its customer classes in its most recent rate case for the area in which the IRA is to be implemented, GUD No. 10174.
39. The following allocation among customer classes is used to allocate the interim rate adjustment, as shown in the table below:

**Revenue Requirement Allocation for the unincorporated areas
of the West Texas Rate Division**

Customer Class	Allocation Factors
Residential	75.130%
Commercial	18.390%
Industrial/Transportation	2.160%
Public Authority	3.970%
State Institution	0.350%
Total	100.00%

40. The proposed interim rate adjustment does not require an evidentiary proceeding; rather, TEX. UTIL. CODE, §104.301 and 16 TEX. ADMIN. CODE, §7.7101 require the regulatory authority to review a utility's method of calculating the interim rate adjustment.
41. Due process protections are deferred until Atmos files its next full statement of intent rate case.

Notice

42. Atmos provided adequate notice to customers via direct mailing in the unincorporated areas of the West Texas Rate Division between April 21, 2014 and May 29, 2014.

Comprehensive Rate Case Required

43. Atmos is not required to initiate a rate case supporting a statement of intent at the time it applies for an interim rate adjustment.
44. A gas utility that implements an interim rate adjustment and does not file a rate case before the fifth anniversary of the date its initial interim rate adjustment became effective is required to file a rate case not later than the 180th day after that anniversary.

Review of Interim Rate Adjustment

- 45. Atmos’ proposed allocation methodology complies with TEX. UTIL. CODE, §104.301, and with 16 TEX. ADMIN. CODE, §7.7101.
- 46. Atmos’ proposed customer and meter counts comply with TEX. UTIL. CODE, §104.301, and with 16 TEX. ADMIN. CODE, §7.7101. For calculating the number of customer charges or meter charges per year, it is reasonable for the Commission to approve use of Distribution’s 2013 actual number of customers. The following total numbers of customer and meter charges for use in the calculation of the interim rate adjustment are reasonable:

Customer Class	Total Number of Customer Charges / Meters
Distribution:	
Residential (R)	3,270,108
Commercial (C)	291,332
Industrial & Transportation (I & T)	2,938
Public Authority (PA)	20,473
State Institution (SI)	1,692
Total	3,586,543

- 47. It is reasonable for the Commission to approve Atmos’ application for an interim rate adjustment. The following amounts of interim rate adjustment revenue and additional customer charges by customer class are reasonable:

Customer Class	Interim Rate Adjustment Revenue	Additional Customer / Meter Charges
Distribution:	\$10,282,086	
Residential (R)	\$7,724,931	\$ 2.36
Commercial (C)	\$1,890,876	\$ 6.49
Industrial (I & T)	\$222,093	\$ 75.59
Public Authority (PA)	\$408,199	\$ 19.94
State Institution (SI)	\$35,987	\$ 96.27

- 48. Atmos West Texas’ 2013 IRA is \$10,282,086, based on an adjusted incremental net utility plant investment increase of \$58,841,349⁷, of which approximately \$857,731, or 8.34%, is attributed to the unincorporated areas.

⁷ Schedule IRA – 3.

Reimbursements of Expense

49. As provided for in the statute and the rule, a gas utility that implements an interim rate adjustment is required to reimburse the Commission for the utility's proportionate share of the Commission's annual costs related to the administration of the interim rate adjustment mechanism.
50. After the Commission has finally acted on Atmos' application for an interim rate adjustment, the Director of the Gas Services Division will estimate Atmos' proportionate share of the Commission's annual costs related to the processing of such applications.
51. In making the estimate of Atmos' proportionate share of the Commission's annual costs related to the processing of such applications, the Director will take into account the number of utilities the Commission reasonably expects to file for interim rate adjustments during the fiscal year, and the costs expected to be incurred in processing such applications.

CONCLUSIONS OF LAW

1. Atmos Energy Corporation (Atmos) is a "gas utility" as defined in TEX. UTIL. CODE § 101.003(7) and § 121.001, and is therefore subject to the jurisdiction of the Railroad Commission of Texas (Commission).
2. The Commission has jurisdiction over Atmos, Atmos' applications for interim adjustments for incremental changes in investment, and the subject matter of this case under TEX. UTIL. CODE §102.001, §104.001, §104.002, and §104.301.
3. Under TEX. UTIL. CODE ANN. §102.001, the Commission has exclusive original jurisdiction over the rates and services of a gas utility that distributes natural gas in areas outside of a municipality and over the rates and services of a gas utility that transmits, transports, delivers, or sells natural gas to a gas utility that distributes the gas to the public.
4. Under the provisions of the TEX. UTIL. CODE §104.301 and 16 TEX. ADMIN. CODE § 7.7101, Atmos is required to seek Commission approval before implementing an interim rate adjustment tariff for environs customers.
5. Atmos filed its applications for interim rate adjustments for changes in investment in accordance with the provisions of TEX. UTIL. CODE §104.301 and 16 TEX. ADMIN. CODE § 7.7101.

6. Atmos' application for an interim rate adjustment was processed in accordance with the requirements of TEX. UTIL. CODE ANN. §104.301 and 16 TEX. ADMIN. CODE §7.7101.
7. In accordance with 16 TEX. ADMIN. CODE § 7.315, within thirty days of the effective date of any change to rates or services, Atmos is required to file with the Gas Services Division of the Commission its revised tariffs.
8. Atmos may not charge any rate that has not been successfully filed and accepted as a tariff filing electronically pursuant to TEX. UTIL. CODE § 102.151 and 104.002 and 16 TEX. ADMIN. CODE § 7.315 (2008).
9. In accordance with TEX. UTIL. CODE §104.301(a) and 16 TEX. ADMIN. CODE § 7.7101(a), the filing date of Atmos' most recent rate case, in which there is a final order setting rates for the area in which the interim rate adjustment will apply, was no more than two years prior to the date Atmos filed its initial interim rate adjustment.
10. Atmos is required, under TEX. UTIL. CODE ANN. §104.301(e) and 16 TEX. ADMIN. CODE § 7.7101(d), to file with the Commission an annual project report, including the cost, need, and customers benefited by the change in investment, and describing the investment projects completed and placed in service during the preceding calendar year and the investments retired or abandoned during the preceding calendar year.
11. Atmos shall include in all future annual interim rate adjustment filings, relocation project reports that provide additional information about relocation project costs included in investment projects, in the same format as required in this docket.
12. Atmos is required, under TEX. UTIL. CODE ANN. §104.301(f) and 16 TEX. ADMIN. CODE § 7.7101(e), to file with the Commission an annual earnings monitoring report demonstrating the Utility's earnings during the preceding calendar year.
13. Atmos is required, under 16 TEX. ADMIN. CODE §7.7101(h), to recalculate its approved interim rate adjustments annually and is required to file an application for an annual adjustment no later than 60 days prior to the one-year anniversary of the proposed implementation date of the previous interim rate adjustment application.
14. In accordance with 16 TEX. ADMIN. CODE § 7.7101(i), all amounts collected from customers under Atmos' interim rate adjustment tariffs or rate schedules are subject to refund. The issues of refund amounts, if any, and whether interest should be included on refunded amounts and, if so, the rate of interest, shall be addressed in the rate case a gas utility files or the Commission initiates after the implementation of an interim rate adjustment and shall be the subjects of specific findings of fact in the Commission's final order setting rates.

15. In accordance with 16 TEX. ADMIN. CODE § 7.7101(j) (2008), in the rate case that Atmos files or the Commission initiates after the implementation of an interim rate adjustment, any change in investment and related expenses and revenues that have been included in any interim rate adjustment shall be fully subject to review for reasonableness and prudence. Upon issuance of a final order setting rates in the rate case that Atmos files or the Commission initiates after the implementation of an interim rate adjustment, any change in investment and related expenses and revenues that have been included in any interim rate adjustment shall no longer be subject to review for reasonableness or prudence.
16. The Commission has authority to suspend the implementation of the interim rate adjustment, under TEX. UTIL. CODE § 104.301(a) and 16 TEX. ADMIN. CODE § 7.7101(e).
17. Atmos provided adequate notice, in accordance with TEX. UTIL. CODE ANN. § 104.301(a) and 16 TEX. ADMIN. CODE § 7.7101(b).
18. Atmos' applications for interim rate adjustments, as proposed, comply with all provisions of TEX. UTIL. CODE § 104.301 and 16 TEX. ADMIN. CODE § 7.7101.
19. Atmos' interim rate adjustments established in the findings of fact and conclusions of law, comply with the provisions of TEX. UTIL. CODE ANN. § 104.301 and 16 TEX. ADMIN. CODE § 7.7101.
20. In accordance with TEX. UTIL. CODE § 104.301(h) and 16 TEX. ADMIN. CODE § 7.7101(l), Atmos shall file a comprehensive rate case for the areas in which the interim rate adjustment is implemented, not later than the 180th day after the fifth anniversary of the date its initial interim rate adjustment became effective.
21. The Commission has authority, under TEX. UTIL. CODE ANN. § 104.301(j) and 16 TEX. ADMIN. CODE § 7.7101(m), to recover from Atmos the Utility's proportionate share of the Commission's annual costs related to the administration of the interim rate adjustment mechanism.

IT IS THEREFORE ORDERED BY THE RAILROAD COMMISSION OF TEXAS THAT Atmos' interim rate adjustments as requested and to the extent recommended to be approved in the findings of fact and conclusions of law are **HEREBY APPROVED** to be effective for bills rendered on or after June 17, 2014.

IT IS FURTHER ORDERED THAT Atmos **SHALL** file with the Commission no later than December 14, 2019, a statement of intent to change rates as required under TEX. UTIL. CODE ANN. §104.301(h) (Vernon 2010) and 16 TEX. ADMIN. CODE §7.7101(l) (2010).

IT IS FURTHER ORDERED THAT within 30 days of this order Atmos **SHALL** electronically file its interim rate adjustment tariffs in proper form that accurately reflect the rates, as expressed in Exhibit A, approved by the Commission in this Order.

IT IS FURTHER ORDERED THAT Atmos **SHALL** not charge any rate that has not been electronically filed and accepted by the Commission as a tariff.

IT IS FURTHER ORDERED THAT Atmos **SHALL** reimburse the expenses incurred by the Commission in reviewing these applications. The amount of this reimbursement shall be determined by the Director of the Gas Services Division. This Order will not be final and effective until 20 days after a party is notified of the Commission's order. A party is presumed to have been notified of the Commission's order three days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party at interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to TEX. GOV'T CODE §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law, is hereby extended until 90 days from the date the order is served on the parties.

Any portion of the Atmos' application not expressly granted herein is overruled. All requested findings of fact and conclusions of law, which are not expressly adopted herein, are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

SIGNED this 17th day of June 2014.

RAILROAD COMMISSION OF TEXAS



BARRY T. SMITHERMAN
CHAIRMAN



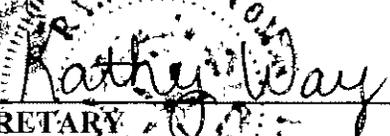
DAVID PORTER
COMMISSIONER



CHRISTI CRADDICK
COMMISSIONER

ATTEST

SECRETARY

KATHRYN WAY

GUD NO. 10349

EXHIBIT A

Tariffs

RATE SCHEDULE:	RESIDENTIAL GAS SERVICE	
APPLICABLE TO:	ALL UNINCORPORATED AREAS IN THE WEST TEXAS DIVISION	
EFFECTIVE DATE:	Bills Rendered on and after 06/17/2014	

Availability

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

Monthly Rate

Charge	Amount
Customer Charge – per GUD 10174	\$ 13.50
Interim Rae Adjustment (“IRA”)	\$ 2.36
Total Customer Charge	\$ 15.86
Consumption Charge – WTX Cities Unincorporated Areas	\$ 0.17055 per ccf
Consumption Charge – Amarillo Unincorporated Areas	\$ 0.07550 per ccf
Consumption Charge – Lubbock Unincorporated Areas	\$ 0.09175 per ccf

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

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

The West Texas Division Rider TAX applies to this schedule.

The West Texas Division Rider FF applies to this schedule.

The West Texas Division 2013 Interim Rate Adjustment applies to this schedule.

Miscellaneous Charges: Plus an amount for miscellaneous charges calculated in accordance with the applicable rider(s).

RATE SCHEDULE:	COMMERCIAL GAS SERVICE	
APPLICABLE TO:	ALL UNINCORPORATED AREAS IN THE WEST TEXAS DIVISION	
EFFECTIVE DATE:	Bills Rendered on and after 06/17/2014	

Availability

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

Monthly Rate

Charge	Amount
Customer Charge – per GUD 10174	\$ 30.00
Interim Rae Adjustment (“IRA”)	\$ 6.49
Total Customer Charge	\$ 36.49
Consumption Charge – WTX Cities Unincorporated Areas	\$ 0.11330 per ccf
Consumption Charge – Amarillo Unincorporated Areas	\$ 0.09794 per ccf
Consumption Charge – Lubbock Unincorporated Areas	\$ 0.09045 per ccf

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

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

The West Texas Division Rider TAX applies to this schedule.

The West Texas Division Rider FF applies to this schedule.

The West Texas Division 2013 Interim Rate Adjustment applies to this schedule.

Miscellaneous Charges: Plus an amount for miscellaneous charges calculated in accordance with the applicable rider(s).

RATE SCHEDULE:	INDUSTRIAL GAS SERVICE	
APPLICABLE TO:	ALL UNINCORPORATED AREAS IN THE WEST TEXAS DIVISION	
EFFECTIVE DATE:	Bills Rendered on and after 06/17/2014	

Availability

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

Monthly Rate

Charge	Amount
Customer Charge – per GUD 10174	\$ 275.00
Interim Rae Adjustment ("IRA")	\$ 75.59
Total Customer Charge	\$ 350.59
Consumption Charge – WTX Cities Unincorporated Areas	\$ 0.06091 per ccf
Consumption Charge – Amarillo Unincorporated Areas	\$ 0.11273 per ccf
Consumption Charge – Lubbock Unincorporated Areas	\$ 0.07402 per ccf

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

The West Texas Division Rider TAX applies to this schedule.

The West Texas Division Rider FF applies to this schedule.

The West Texas Division 2013 Interim Rate Adjustment applies to this schedule.

Miscellaneous Charges: Plus an amount for miscellaneous charges calculated in accordance with the applicable rider(s).

RATE SCHEDULE:	PUBLIC AUTHORITY GAS SERVICE	
APPLICABLE TO:	ALL UNINCORPORATED AREAS IN THE WEST TEXAS DIVISION	
EFFECTIVE DATE:	Bills Rendered on and after 06/17/2014	

Availability

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

Monthly Rate

Charge	Amount
Customer Charge – per GUD 10174	\$ 75.00
Interim Rae Adjustment ("IRA")	\$ 19.94
Total Customer Charge	\$ 94.94
Consumption Charge – WTX Cities Unincorporated Areas	\$ 0.10076 per ccf
Consumption Charge – Amarillo Unincorporated Areas	\$ 0.10638 per ccf
Consumption Charge – Lubbock Unincorporated Areas	\$ 0.12981 per ccf

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

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

The West Texas Division Rider TAX applies to this schedule.

The West Texas Division Rider FF applies to this schedule.

The West Texas Division 2013 Interim Rate Adjustment applies to this schedule.

Miscellaneous Charges: Plus an amount for miscellaneous charges calculated in accordance with the applicable rider(s).

RATE SCHEDULE:	STATE INSTITUTION GAS SERVICE	
APPLICABLE TO:	ALL UNINCORPORATED AREAS IN THE WEST TEXAS DIVISION	
EFFECTIVE DATE:	Bills Rendered on and after 06/17/2014	

Availability

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

Monthly Rate

Charge	Amount
Customer Charge – per GUD 10174	\$ 75.00
Interim Rae Adjustment (“IRA”)	\$ 21.27
Total Customer Charge	\$ 96.27
Consumption Charge – WTX Cities Unincorporated Areas	\$ 0.13551 per ccf
Consumption Charge – Lubbock Unincorporated Areas	\$ 0.11115 per ccf

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

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

The West Texas Division Rider TAX applies to this schedule.

The West Texas Division Rider FF applies to this schedule.

The West Texas Division 2013 Interim Rate Adjustment applies to this schedule.

Miscellaneous Charges: Plus an amount for miscellaneous charges calculated in accordance with the applicable rider(s).

RATE SCHEDULE:	TRANSPORTATION SERVICE	
APPLICABLE TO:	ALL UNINCORPORATED AREAS IN THE WEST TEXAS DIVISION	
EFFECTIVE DATE:	Bills Rendered on and after 06/17/2014	

Application

Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., West Texas Division Distribution System for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility with an estimated annual usage greater than 100,000 Ccf per meter.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's bill will be calculated by adding the following Customer and Ccf charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Customer Charge per Meter – per GUD 10174	\$ 275.00
Interim Rae Adjustment ("IRA")	\$ 75.59
Total Customer Charge	\$ 350.59
Consumption Charge – WTX Cities Unincorporated Areas	\$ 0.06091 per ccf
Consumption Charge – Amarillo Unincorporated Areas	\$ 0.11273 per ccf
Consumption Charge – Lubbock Unincorporated Areas	\$ 0.07402 per ccf

Upstream Transportation Cost Recovery: The customer is responsible for all upstream transportation costs.

Retention Adjustment: Plus a quantity of gas equal to the Company's most recently calculated financial L&U percentage for the twelve months ended September multiplied by the gas received into Atmos Energy Corporation's West Texas Division for transportation to the customer.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

RATE SCHEDULE:	TRANSPORTATION SERVICE	
APPLICABLE TO:	ALL UNINCORPORATED AREAS IN THE WEST TEXAS DIVISION	
EFFECTIVE DATE:	Bills Rendered on and after 06/17/2014	

Miscellaneous Charges: Plus an amount for miscellaneous charges calculated in accordance with the applicable rider(s).

The West Texas Division 2013 Interim Rate Adjustment applies to this schedule.

Conversions: Units may be converted from Ccf to Mcf or Mmbtu as necessary to comply with the underlying transportation agreement.

Imbalance Fees

All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

Monthly Imbalance Fees

Customer shall pay Company a monthly imbalance fee at the end of each month as defined in the applicable Transportation Agreement,

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the "Index" price reported for the month of delivery in Inside FERC's Gas Market Report under the heading "West Texas Waha".

Replacement Index

In the event the "Index" price reported for the month of delivery in Inside FERC's Gas Market Report under the heading "West Texas Waha" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

A transportation agreement is required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive transportation service under this tariff, customer must have the type of meter, instrumentation, and communication required by Company. Customer must pay Company all costs associated with the acquisition and installation of the required equipment.

