DISCLAIMER

This site contains a copy of the Company's tariffs. The official tariffs are on file with the relevant state regulatory commissions. While every effort has been made to ensure that the tariffs on this site are accurate and are updated on a timely basis, Atmos does not warrant that they are identical in every respect to the official tariffs on file with the relevant regulatory agencies and expressly disclaims any responsibility or liability for any differences.

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TENNESSEE PUBLIC UTILITY COMMISSION GAS TARIFF OF

ATMOS ENERGY CORPORATION

Communications Regarding This Tariff Should be Addressed to:

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Atmos Energy Corporation
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Franklin, Tennessee 37067

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PRELIMINARY STATEMENT

Atmos Energy Corporation, sometimes herein referred to as "Company", is a public utility engaged in the business of distributing and selling natural gas at retail within its authorized service areas in the State of Tennessee, and subject to the jurisdiction of the Tennessee Public Utility Commission. T

This tariff, containing replacement rates of Atmos Energy Corporation, is filed with the Tennessee Public Utility Commission in accordance with the applicable statutes of Tennessee and the applicable Rules and Regulations of that Commission. T

Gas service will be provided to all bona fide applicants for service in accordance with the terms and conditions of Company's service regulations, and at Company's applicable rate schedules, as set forth in this tariff. T

Areas Served

The Company serves several communities in Tennessee with natural gas purchased from various natural gas pipelines in accordance with separate and individual tariffs approved by the Federal Energy Regulatory Commission. The areas served by the Company and the natural gas pipeline supplier for such areas are as follows:

Area 1 - Union City and adjacent areas supplied with gas purchased by the Company from Texas Gas Transmission Corporation in Obion County.

Area 2 - Columbia, Shelbyville, Lynchburg, Maryville-Alcoa, and adjacent areas supplied with gas purchased by the Company from Columbia Gulf Transmission and East Tennessee Natural Gas Company in Maury, Bedford, Moore and Blount Counties. T

Area 3 - Franklin, Murfreesboro, Nolensville, and adjacent areas supplied with gas purchased by the Company from Columbia Gulf Transmission and Texas Eastern Transmission Corporation in Rutherford and Williamson Counties. T

Area 4 - Johnson City, Elizabethton, Greeneville, Kingsport, Morristown, Bristol and adjacent areas supplied with gas purchased by The Company from East Tennessee Natural Gas Company in Hamblen, Sullivan, Carter, Washington, and Greene Counties. T

RESIDENTIAL GAS SERVICE

Schedule 210: All Service Areas

Availability

Residential service is available within the Company's service area to single private residences, including the separate private units of apartment houses and other multiple dwellings, actually used for residential purposes, which are separately metered.

Character of Service

Natural gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area.

Customer Charge

A monthly customer charge of $24.80 for the months of October through April is payable regardless of the usage of gas. I

A customer charge of $22.80 for the months of May through September is payable regardless of the usage of gas. I

Monthly

All consumption, per Ccf $.1774 I

Minimum Bill

The minimum net monthly bill shall be the customer charge per month as described above.

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.

Gas Lights

For all gas light services, the charge for such services shall be based on actual usage through a metered source at this tariff rate. For all unmetered gas light services prior to August 17, 1990 the customer will be billed for twenty (20) Ccf per standard residential gas light. For all unmetered gas light service after August 17, 1990 the Company may estimate and determine the appropriate consumption of the light and charge the applicable rate under this rate schedule.

RESIDENTIAL GAS SERVICE

Schedule 210: All Service Areas (Continued)

Purchased Gas Cost Adjustment

Bills for service are subject to the cost of purchased gas in accordance with the Purchased Gas Adjustment (PGA) Rider approved by the Tennessee Public Utility Commission. T

Service Regulations

Gas Service at these schedules will be furnished in accordance with the Company's General Rules and Regulations, copies of which are available for public reference during business hours at each of the Company's offices. T

Senior Citizen- Low Income Discount

Qualifying customers certified by the Company will be eligible for the waiver of the customer charge and activation charge. To qualify, the customer must be 65 years of age or older with total household income of $12,000 or less per year.

RESIDENTIAL AND SMALL COMMERCIAL/INDUSTRIAL HEATING
AND COOLING SERVICE

Schedule 211: All Service Areas

Availability

This service is available within the Company service area to single private residences, including the separate private units of apartment houses and other multiple dwellings, actually used for residential purposes, which are separately metered, and which utilize natural gas for heating and cooling the conditioned space. This schedule is also available within the Company's service area to commercial/industrial customers using less than 5,000 Ccf per year and which utilize natural gas for heating and cooling the conditioned space. Cooling equipment must have a COP generator greater than 0.7. Any additional gas measured through this single meter will be billed at this rate.

This service is intended to assist in the development of natural gas heating and cooling technologies. This rate is designed to significantly increase energy savings which will improve the economics of the technology. This service will cease when either of the following criteria has been met.

1) One hundred customer have qualified for this service.
2) The service expires for new customer ten years after November 15, 1995.

Customers that have qualified for this service prior to the expiration date will continue to receive service under this rate schedule as long as natural gas is utilized for both heating and cooling.

Character of Service

Natural gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area.

Customer Charge

A monthly customer charge of $16.75 is payable regardless of the usage of gas.

Monthly

All consumption , per Ccf $.0872

Minimum Bill

The minimum net monthly bill shall be the customer charge per month as described above.

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.

RESIDENTIAL AND SMALL COMMERCIAL/INDUSTRIAL
HEATING AND COOLING SERVICE

Schedule 211: All Service Areas

Gas Lights

For all gas light services, the charge for such services shall be based on actual usage through a metered source at this tariff rate. For all unmetered gas light services prior to August 17, 1990 the customer will be billed for twenty (20) Ccf per standard residential gas light. For all unmetered gas light services after August 17, 1990 the Company may estimate and determine the appropriate consumption of the light and charge the applicable rate under this rate schedule.

Purchased Gas Adjustment

Bills for service are subject to the cost of purchased gas in accordance with the Purchased Gas Adjustment (PGA) Rider approved by the Tennessee Public Utility Commission. T

Service Regulations

Gas Service at these schedules will be furnished in accordance with the Company's General Rules and Regulations, copies of which are available for public reference during business hours at each of the Company's offices. T

COMMERCIAL/INDUSTRIAL GAS SERVICE

Schedule 220: All Service Areas

Availability

This schedule is available within the Company service area to commercial/industrial customers using less than 135,000 Ccf per year for any purpose at the option of the Company, to the extent gas is available. This schedule is not available to residences, apartments or federal housing projects.

Character of Service

Natural gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area, or such higher delivery pressure as agreed upon by customer and Company.

Customer Charge

A monthly customer charge of $50.25 is payable regardless of the usage of gas. I

Monthly Rate

All consumption, per Ccf $.3609 I

Minimum Bill

The minimum net monthly bill shall be the customer charge per meter as described above.

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.

Gas Lights

For all metered gas light services under this tariff, the charge for such service shall be based on actual usage through a metered source at this tariff rate. It shall be within the Company's discretion whether a gas light should be metered, however if the gas light is unmetered, the Company may estimate and determine the appropriate consumption of the light and charge the applicable rate under this rate schedule.

COMMERCIAL/INDUSTRIAL GAS SERVICE

Schedule 220: All Service Areas (Continued)

Purchased Gas Cost Adjustment

Bills for service are subject to the cost of purchased gas in accordance with the Purchased Gas Adjustment (PGA) Rider approved by the Tennessee Public Utility Commission. T

Service Regulations

Gas Service at these schedules will be furnished in accordance with the Company's General Rules and Regulations, copies of which are available for public reference during business hours at each of the Company's offices. T

EXPERIMENTAL SCHOOL GAS SERVICE

Schedule 221: All Service Areas

Availability

This service is available to existing or new state, county, city, and private educational institutions or universities eligible for accreditation by the Southern Association of Secondary Schools and Colleges utilizing natural gas through a single meter for primary heating and cooling of the conditioned space. Any additional gas measured through this single meter will be billed at this rate. Gas cooling equipment must have a coefficient of performance (COP) greater than 0.7.

This service is intended to assist in the development of the natural gas cooling market. This rate is designed to significantly increase energy savings which improves the economics of natural gas cooling. This service is experimental and will cease when any one of the following criteria has been met.

1) Ten (10) schools have qualified for this service.
2) 250,000Mcf per year of estimated gas consumption has qualified for this service.
3) The experimental service expires on October 1, 2002.

Schools that have qualified for this service prior to October 1, 2002 will continue to receive service under this rate schedule as long as natural gas I utilized for both heating and cooling.

Character of Service

Natural gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area, or such higher delivery pressure as agreed upon by customer and Company.

Customer Charge

A monthly customer charge of $50.25 is payable regardless of the usage of gas. I

Monthly Rate

All consumption, per Ccf $.1719 I

Minimum Bill

The minimum net monthly bill shall be the customer charge per meter as described above.

EXPERIMENTAL SCHOOL GAS SERVICE

Schedule 221: All Service Areas (Continued)

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.

Purchased Gas Cost Adjustment

Bills for service are subject to the cost of purchased gas in accordance with the Purchased Gas Adjustment (PGA) Rider approved by the Tennessee Public Utility Commission. T

Service Regulations

Gas Service at these schedules will be furnished in accordance with the Company's General Rules and Regulations, copies of which are available for public reference during business hours at each of the Company's offices. T

PUBLIC HOUSING AUTHORITY GAS SERVICE

Schedule 225: All Service Areas

Availability

This service is available within the Company's service area to any customer in a housing project using gas primarily for domestic purposes an under the ownership and control of a public housing authority or other governmental agency, which are master metered.

Character of Service

Natural gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area.

Customer Charge

A monthly customer charge of $24.80 for the months of October through April is payable regardless of the usage of gas. I

A customer charge of $22.80 for the months of May through September is payable regardless of the usage of gas. I

Minimum Bill

The minimum net monthly bill shall be the customer charge as described above.

Monthly Rate

All consumption, per Ccf $.1774 I

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.

PUBLIC HOUSING AUTHORITY GAS SERVICE

Schedule 225: All Service Areas (Continued)

Purchased Gas Cost Adjustment

Bills for service are subject to the cost of purchased gas in accordance with the Purchased Gas Adjustment (PGA) Rider approved by the Tennessee Public Utility Commission. T

Service Regulations

Gas Service at these schedules will be furnished in accordance with the Company's General Rules and Regulations, copies of which are available for public reference during business hours at each of the Company's offices. T

LARGE COMMERCIAL/INDUSTRIAL GAS SERVICE

Schedule 230: All Service Areas

Availability

This schedule is available within the Company service area to commercial/industrial customers using more than 135,000 Ccf per year for any purpose at the option of the Company, to the extent gas is available.

Character of Service

Natural gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area, or such higher delivery pressure as agreed upon by customer and Company. Service under this rate schedule may be terminate3d by either party following twelve (12) months notice to the other party.

Customer Charge

A monthly customer charge of $505.00 is payable regardless of the usage of gas. I

Monthly Rate

All consumption, per Ccf $.3127 I

Minimum Bill

The minimum net monthly bill shall be the customer charge per meter as described above.

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.

Gas Lights

For all metered gas light services under this tariff, the charge for such service shall be based on actual usage through a metered source at this tariff rate. It shall be within the Company's discretion whether a gas light should be metered, however if the gas light is unmetered, the Company may estimate and determine the appropriate consumption of the light and charge the applicable rate under this rate schedule.

LARGE COMMERCIAL/INDUSTRIAL GAS SERVICE

Schedule 230: All Service Areas (Continued)

Purchased Gas Cost Adjustment

Bills for service are subject to the cost of purchased gas in accordance with the Purchased Gas Adjustment (PGA) Rider approved by the Tennessee Public Utility Commission. T

Service Regulations

Gas Service at these schedules will be furnished in accordance with the Company's General Rules and Regulations, copies of which are available for public reference during business hours at each of the Company's offices. T

DEMAND/COMMODITY GAS SERVICE

Schedule 240: All Service Areas

Availability

This schedule is available within the Company service area to commercial/industrial customers using at least 270,000 Ccf per year for any purpose at the option of the Company, to the extent gas is available.

Character of Service

Natural gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area, or at such higher delivery pressure as agreed upon by customer and Company. Service under this rate schedule may be terminate3d by either party following twelve (12) months notice to the other party.

Customer Charge

A monthly customer charge of $505.00 is payable regardless of the usage of gas. I

Monthly Rate

Demand Charge
Per Unit of Billing Demand $2.3022 per Ccf R

Commodity Charge

First	20,000	Ccf per month	$.1751 I
Next	480,000	Ccf per month	$.1159 I
Over	500,000	Ccf per month	$.0537 I

Minimum Bill

The minimum net monthly bill shall be the customer charge per meter plus the monthly demand charge as described above.

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.

DEMAND/COMMODITY GAS SERVICE

Schedule 240: All Service Areas (Continued)

Billing Demand

The Billing Demand for the current month is effective October 1, 1992 and shall be redetermined effective November 1 of each successive year. The Billing Demand is the highest demand day in any of the previous billing months of November, December, January, February, and March.

Whenever a customer commences taking service under this Rate Schedule, the Billing Demand shall be 6% of monthly consumption in each month until redetermined as stated above.

Determination of Demand Day

The demand day shall be determined at the option of the Company by one of the following methods:

1. By measuring the maximum volume of gas taken by the Customer in any one day through the use of volume and pressure recording and measuring equipment installed by the Company.

2. When gas is delivered to a Customer through a positive displacement meter without the use of daily recording and measuring equipment, the maximum volume of gas taken in any one day during the billing month shall be 6% of the total volume of gas used by the customer during such billing month.

The Company retains the option of installing recording and measuring equipment to determine the maximum volume of gas taken in any one day on the meter of any customer purchasing Gas Service under this Rate Schedule. T

Measurement Data Collection Equipment

New customers served under this Rate Schedule after October 1, 1992 shall be required to pay for the cost and installation of measurement data collection and verification equipment, including applicable income taxes. All customers shall also be required to pay the cost of installation, maintenance and any monthly usage charges associated with telephone, power or other utilities or energy sources required for the operation of the data collection and verification equipment, including applicable taxes. All customers shall also be required to provide adequate space in new or existing facilities for the installation of the data collection equipment.

Gas Lights

For all metered gas light services under this tariff, the charge for such service shall be based on actual usage through a metered source at this tariff rate. It shall be within the Company's discretion whether a gas light should be metered, however if the gas light is unmetered, the Company may estimate and determine the appropriate consumption of the light and charge the applicable rate under this rate schedule.

DEMAND/COMMODITY GAS SERVICE

Schedule 240: All Service Areas (Continued)

Purchased Gas Cost Adjustment

Bills for service are subject to the cost of purchased gas in accordance with the Purchased Gas Adjustment (PGA) Rider approved by the Tennessee Public Utility Commission. T

Service Regulations

Gas Service at these schedules will be furnished in accordance with the Company's General Rules and Regulations, copies of which are available for public reference during business hours at each of the Company's offices. T

INTERRUPTABLE GAS SERVICE

Schedule 250: All Service Areas

Availability

To any commercial or industrial customer using 270,000 Ccf or more per year, or 1,000 Ccf per day during off-peak periods. The company recommends that the customer has and maintains adequate standby facilities and an alternate fuel supply in order that gas deliveries hereunder may be interrupted at any time.

Customers that will utilize natural gas during off-peak periods only do not need to meet the volumetric annual requirements (i.e. 270,000 Ccf or more per year) for eligibility under this schedule. Examples of customers utilizing natural gas during off-peak periods only would include but is not limited to the following: asphalt plants, electric generating facilities, grain drying facilities, and farm irrigation systems. The Company recommends an adequate standby facility and alternate fuel supply for off-peak customers served under this schedule.

Deliveries to such customers shall be subject to curtailment at any time. Deliveries to such customers shall be subject to curtailment in whole or in part upon one-half (½) hours' notice.

Character of Service

Natural gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area, or such higher delivery pressure as agreed upon by customer and Company.

Customer Charge

A monthly customer charge of $505.00 is payable regardless of the usage of gas. I

Monthly Rate

First	20,000	Ccf per month	$.1751 I
Next	480,000	Ccf per month	$.1159 I
Over	500,000	Ccf per month	$.0537 I

Minimum Bill

The minimum net monthly bill shall be $505.00. I

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.

INTERRUPTIBLE GAS SERVICE

Schedule 250: All Service Areas (Continued)

Purchased Gas Adjustment

Bills for service are subject to the cost of purchased gas in accordance with the Purchased Gas Adjustment (PGA) Rider approved by the Tennessee Public Utility Commission. T

Curtailment Procedures

Notice of curtailment of service hereunder shall be given by the Company by telephone or otherwise not less than one-half (1/2) hour from time of curtailment. Upon receipt of such notice, the Customer shall immediately proceed to discontinue the use of service at the time and to the extent of the order. The Company shall notify the Customer by telephone or otherwise when service hereunder is to be restored and the Customer shall not resume service until such time as stated in the restoration notice.

Overrun Penalty

Volumes of gas taken at any time in excess of the amount stipulated by the Company in the curtailment notice as being available to Customer shall constitute overrun gas. A penalty of $2.50 per Ccf of such overrun volumes shall be paid by Customer in addition to all over charges payable hereunder provided; however, Company has the right to waive any portion of the overrun penalty on a non-discriminatory basis for good cause.

Terms of Contract

Customer shall contract for service hereunder for a term of not less than one (1) year. Upon the expiration of any contract term, the contract shall be automatically renewed for a period of one (1) year. At any time following the first contract year, service may be terminated by either party following at least twelve (12) months-notice to the other party.

Terms and Provisions of Service Under This Rate Schedule

Customers served under this Rate Schedule shall be required to pay for the cost and installation of measurement data collection and verification equipment, including applicable income taxes. Customers shall also be required to pay the cost of installation, maintenance and any monthly usage charges associated with telephone, power or other utilities or energy sources required for the operation of the data collection and verification equipment, including applicable taxes. Customers shall also be required to provide adequate space in new or existing facilities for the installation of the data collection equipment.

Service Regulations

Gas Service at these schedules will be furnished in accordance with the Company's General Rules and Regulations, copies of which are available for public reference during business hours at each of the Company's offices. T

TRANSPORTATION SERVICE

Schedule 260: All Service Areas

A. Availability

This rate schedule provides for the transportation of gas received by the Company from the Connecting Pipeline Company for the Customer's account to that Customer's facilities. Service under this rate schedule is available to commercial and industrial customers using 100,000 Ccf or more per year. This rate schedule is offered as a companion to the customers existing sales rate schedule.

B. Definitions

For purposes hereof:

(i) "Connecting Pipeline Company" means a pipeline supplier to the Company whose facilities in the sole judgment of the Company can be utilized to transport gas to the Company for delivery by the Company to the Customer under this rate schedule.

(ii) "Transportation Imbalance" occurs when more-or-less gas is received by the Company from the Connecting Pipeline Company for the Customer's account, less the unaccounted-for gas adjustment, than is delivered to that customer's facilities for the month.

(iii) "PGA Rider" means the Company's Purchased Gas Adjustment Rider, as amended and approved by the Tennessee Public Utility Commission from time to time. T

(iv) "Maximum Daily Quantity" (MDQ) means the maximum daily volume of gas, as determined by the Company based on Customer's historical metered volumes, that a Customer under this Rate Schedule will be allowed to nominate and have delivered into the Company's system for the Customer's account.

(v) "Operational Flow Order" (OFO) is any order from the Company or the Connecting Pipeline Company that requires transporter to hold to their daily allocated volumes or any other pipeline directive or any Company directive. The Company or the Connecting Pipeline Company may need to issue an OFO for various reasons.

C. Terms and Provisions of Service Under This Rate Schedule

(i) Except as expressly modified by the provisions of this rate schedule, all of the terms, provisions, and conditions of the rate schedule (as made effective by the Tennessee Public Utility Commission from time to time) applicable to Customer shall also apply to service by the Company to Customer under this rate schedule. T

(ii) The Customer must notify the Company on Company's standard form of the quantity of gas to be received by the Company from the Connecting Pipeline Company for the Customer's account during the billing month and the daily rate of delivery. This nomination must be received by the Company by the nomination deadline of the Connecting Pipeline Company for both first of the month nominations and mid-month changes. The quantity of gas received by the Company from the Connecting Pipeline Company for the Customer's account shall be based on the transportation nomination for that month. Adjustments will be made if the Connecting Pipeline Company's allocated volumes vary from the nominated volume. Daily nominations shall not exceed the Customer's Maximum Daily Quantity (MDQ)

TRANSPORTATION SERVICE (Continued)

Schedule 260: All Service Areas

C. Terms and Provisions of Service Under This Rate Schedule (Continued)

(iii) The Customer is responsible for making all arrangements for transporting the gas from its source of supply to the Company's interconnection with the Connecting Pipeline Company unless other arrangements have been made between the Customer and the Company.

(iv) The Customer shall warrant that they have good and legal title to all gas which Customer causes to be delivered into the Company's facilities and Customer shall hold the Company harmless from any loss or claim in regard to the same.

(v) The Customer shall have the obligation to balance receipts of transportation gas by the Company at the Company's applicable Receipt Point(s) with deliveries of such gas by the Company to the Customer's Point of Delivery plus retention amounts pursuant to item (vi) below. Cash outs for Positive and Negative imbalances will be levied as described below.

(a) Imbalance equals the volume of gas received by the Company from the Connecting Pipeline Company for the Customer's account minus the volume of gas delivered to the Customer's Point of Delivery.

(b) Imbalance percentage equals the difference of the volume of gas received by the Company from the Connecting Pipeline Company for the Customer's account minus the volume of gas delivered to the Customer's Point of Delivery divided by the volume of gas received by the Company from the Connecting Pipeline Company for the Customer's account.

(c) Cash out of Monthly Imbalances

1. If the volume of gas delivered to the Customer's point of delivery is greater than the volume of gas received by the Company from the Connecting Pipeline Company for the Customer's account (negative imbalance), the Company will sell the difference in gas volumes to the Customer based on the highest index price for the respective Connecting Pipeline Company for any week beginning in the calendar month as published in *Platt's Gas Daily,* plus applicable pipeline fuel and transportation charges. If the volume of gas delivered to the Customer's point of delivery is less than the volume of gas received by the Company from the Connecting Pipeline Company for the Customer's account (positive imbalance), the Company will buy the difference in gas volumes from the Customer based on a price equal to the lowest index price for the respective Connecting Pipeline Company for any week beginning in the calendar month as published in *Platt's Gas Daily*, plus applicable pipeline fuel and transportation charges.
2. The monthly cash out bill will be based on the accumulated sum of the results of the formulas listed below such that and until the total monthly imbalance is fully accounted for:

		Cash out Price	
% of Imbalance		**for Positive Imbalances**	**for Negative Imbalances**
0%	up to 5%	100%	100%
5%	up to 10%	85%	115%
10%	up to 15%	70%	130%
15%	up to 20%	60%	140%
20%	and over	50%	150%

C

TRANSPORTATION SERVICE (Continued)

Schedule 260: All Service Areas

(d) Operational Flow Orders (OFO)

1. Company will have the right to issue an Operational Flow Order that will require actions by the Customer to alleviate conditions that, in the sole judgment of the Company, jeopardize the operational integrity of Company's system required to maintain system reliability. Customer shall be responsible for complying with the directives set forth in the OFO.
2. Upon issuance of an OFO, the Company will direct Customer to comply with one of the following conditions:
   a. Customer must take delivery of an amount of natural gas from the Company that is no more than the hourly or daily amount being received by the Company from the Connecting Pipeline Company for the Customer's account. All volumes delivered to the Customer in excess of volumes received by the Company from the Connecting Pipeline Company for the Customer's account, that are in violation of the above condition, with the exception of a 5% daily tolerance, shall constitute an unauthorized overrun by Customer on the Company's system. Customer shall be charged a penalty of the greater of $15.00 per dth or the Connecting Pipeline Company's tariff penalty rate, plus the Gas Daily Index price for the respective Connecting Pipeline Company for such unauthorized overruns during the OFO, or
   b. Customer must take delivery of an amount of natural gas from the Company that is no less than the hourly or daily amount being received by the Company from the Connecting Pipeline Company for the Customer's account. All volumes delivered to the Customer which are less than volumes received by the Company from the Connecting Pipeline Company for the Customer's account, that are in violation of the above condition, with the exception of a 5% daily tolerance, shall constitute an unauthorized delivery by Customer to Company. Customer shall be charged a penalty of the greater of $15.00 per dth or the Connecting Pipeline Company's tariff penalty rate for such unauthorized delivery during the OFO.

3. Any penalties charged due to unauthorized overruns or deliveries during an OFO will be in addition to any cash out charges described in Subsection C (v) (c) above.

   a. Customers' agents shall be allowed to aggregate their customers' usages for the purposes of balancing, pursuant to the Pooling Service in Section E.

TRANSPORTATION SERVICE (Continued)

Schedule 260: All Service Areas

(vi) A percentage adjustment for lost and unaccounted for gas shall be made to the volumes of gas received by the Company from the Connecting Pipeline Company for the Customer's account and the volumes of gas deliverable to the Customer under this rate schedule shall be reduced by such percentage. Such percentage shall be equal to the percent that unaccounted for gas bore to total sendout as recorded by the Company during its most recent 12 months ended June.

(vii) If the rendition of service to Customer under this rate schedule causes the Company to incur additional charges from the Connecting Pipeline Company, Customer shall reimburse Company for all such charges.

(viii) All volumes transported under the terms of this rate schedule shall be included in the Purchases Gas Adjustment computations and included in the sales volumes of the Purchased Gas Adjustment computations.

(ix) The customers served under this Rate Schedule shall be required to pay for the cost of, installation of, replacement of, and maintenance of measurement data collection and verification equipment, including applicable income taxes. Customers shall also be required to pay the cost of installation, maintenance and any monthly usage charges associated with dedicated telephone, power or other utilities or energy sources required for the operation of the data collection and verification equipment, including applicable income taxes. Customers shall also be required to provide adequate space in new or existing facilities for the installation of the data collection equipment.

(x) Once a customer elects and has qualified for service under this rate schedule, all services will be provided under the terms and conditions of this rate schedule for a term of no less than 12 months. At any time following the first six month of service under this rate schedule, service may be terminated by either party following at least six months written notice to the other party. After termination of this service, Customer may nor re-elect for transportation service for a period of no less than 12 months after termination.

D. Rate

Customer Charge

A monthly customer charge of $505.00 per meter is payable regardless of the usage of gas. I

Monthly Demand Charge

The Customers eligible to receive service under Companion Rate Schedule 240 shall be billed the applicable Monthly Demand Charge.

Monthly Rate

The Customer shall be billed for the quantity of gas delivered under this rate schedule at the monthly rate of the companion rate schedule, plus any applicable taxes or fees.

ATMOS ENERGY CORPORATION

TRANSPORTATION SERVICE (Continued)

Schedule 260: All Service Areas

Minimum Bill

The minimum monthly bill shall be the Customer Charge plus the Monthly Demand Charge, if any, as described above.

E. Pooling Service

(i) For the purpose of this section, A Pool Manager is defined as an entity which has been appointed by a customer or group of customers served under this rate schedule to perform the functions and responsibilities of requesting information, nominating supply, and other related duties. The Pool Manager shall have all of the rights under this Transportation Service as does a Customer transporting gas supply directly under this Transportation Service.

(ii) The Pool Manager will be responsible for arranging for volumes of transportation gas to meet the daily and monthly requirements of customers in the pool. The cash out provisions of Subsection C (v) shall be applied against the aggregate volume of all customers in a specific pool. The Pool Manager will be responsible for the payment of any monthly cash out payments, scheduling fees and any penalties incurred by a specific pool as a result of monthly, daily, or hourly imbalances.

(iii) The Company, at the Company's sole discretion, shall establish pooling areas by Connecting Pipeline, Pipeline zone, Company receipt point, geographic area, operational area, administrative or other appropriate parameters.

(iv) No customer shall participate in a Pool that does not individually meet the availability conditions of this rate schedule, and no customer shall participate in more than one pool concurrently.

(v) To receive service hereunder, the Pool Manager shall enter into a Pool Management Agreement with Company and shall submit an Agency Authorization Form for each member of the pool, signed by both Customer and its Pool Manager.

(vi) The Pool Manager shall submit a signed Pool Management Agreement and an Agency Authorization Form for each member of the pool at least 30 days prior to the beginning of a billing period when service under this rate schedule shall commence. A customer who terminates service under this rate schedule or who desires to change Pool Managers shall likewise provide Company with a written notice at least 30 days prior to the end of a billing period.

(vii) The Pool Manager shall upon request of the Company agree to maintain a cash deposit, a surety bond, an irrevocable letter of credit, or such other financial instrument satisfactory to Company in order to assure the Pool Manager's performance of its obligations under the Pool Management Agreement. In determining the level of the deposit, bond, or other surety to be required of the Pool Manager, the Company shall consider such factors, including, but not limited to, the following: the volume of natural gas to be transported on behalf of the Pool members, the general credit worthiness of the Pool Manager, and the Pool Managers prior credit record with the Company, if any. In the event that the Pool Manager defaults on its obligations under this rate schedule or the Pool Management Agreement, the company shall have the right to use such cash deposit, or proceeds from such bond, irrevocable letter of credit, or other financial instrument to satisfy the Pool Manager's obligation hereunder. Specific terms and conditions regarding credit requirements shall be included in the Pool Management Agreement. Such credit requirements shall be administered by the

ATMOS ENERGY CORPORATION

TRANSPORTATION SERVICE (Continued)

Schedule 260: All Service Areas

Company in a non-discriminatory manner, and such credit requirements may change as the requirements of the pool change.

(viii) The Pool Manager shall notify the Company in writing of any changes in the composition of the pool at least 30 days prior to the beginning of the first billing period that would apply to the modified pool.

(ix) The Pool Management Agreement will be terminated by the Company upon 30 days written notice if a Pool Manager fails to meet any condition of this rate schedule. The Pool Management Agreement will also be terminated by the Company upon 30 days written notice if the Pool Manager has payments in arrears. Written notice of termination of the Pool Management Agreement shall be provided both to the Pool Manager and to the individual members of the pool by the Company.

(x) Company shall directly bill the Pool Manager for the monthly cash out charges, penalties, or other payments contained in this rate schedule. The monthly bill will be due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.

(xi) Company shall directly bill the individual customers in the pool for all Customer Charges, Demand Charges, and Commodity Charges as provided for in either this rate schedule or its companion rate schedule.

ATMOS ENERGY CORPORATION

ECONOMIC DEVELOPMENT GAS SERVICE

Schedule 280: All Service Areas

Availability

Service under this Schedule is available to customers engaged in the manufacturing process at discounted or incentive rates. To be eligible for service under this schedule certain conditions must be met by the customer. Existing customers served under another rate schedule to be eligible for service under this rate schedule must contract for sufficient natural gas demand to produce an increase in consumption of 135,000 Ccf annually. New customers served under this rate schedule to be eligible must contract for at least 270,000 Ccf annually.

This Schedule is intended to allow the Company to offer incentive or discount type rates designed to enhance the Company's system utilization while encouraging industrial development within the Company's service areas.

Special Terms and Conditions

A contract shall be executed by the customer for a minimum of 4 years. The contract shall specify the customer's natural gas requirements.

To receive service under this rate schedule, the customer's written application to the Company shall include sufficient information to permit the Company to determine the customer's eligibility.

Qualifying consumption shall result from an increase in business activity and not merely from the resumption of normal operations following a period of abnormal operating conditions. If in the Company's opinion an abnormal operating period has occurred as a result of strike, equipment failure, or any other abnormal condition during the twelve (12) month period prior to the date of the application by the customer for service under this rate schedule, the Company shall adjust the customer's consumption to eliminate any abnormal condition. The Company through use of historical data shall determine "Base Load" for existing customers. Volumes and their associated Billing Demand used in excess of "Base Load" shall be considered "Qualifying Consumption" and eligible under this Schedule. Loads which are or have been served by the Company during all or part of the twelve (12) month period prior to service under this rate schedule, and which are relocated to another metering point within the Company's service area, shall not qualify for this rate schedule.

The existing facilities of the Company must be adequate in the judgment of the Company to supply the new or expanded natural gas requirements. If construction of new or expanded local facilities by the Company is required, the customer may be required to make a Contribution in Aid of Construction for the installed cost of such facilities. The Company will evaluate the customer's request for

ECONOMIC DEVELOPMENT GAS SERVICE

Schedule 280: All Service Areas (continued)

service and determine the necessity of a contribution for construction of facilities based on the Extension of Service provisions of the General Terms and Conditions of the Company's filed tariff. The Company shall review the Customer's consumption each year to determine whether the Customer has fulfilled their projected usage requirement to remain eligible for service under this rate schedule.

Customer Charge

A monthly customer charge equivalent to the otherwise applicable companion tariff per meter is payable regardless of the usage of gas.

Monthly Rate

The following adjustment factors will be applied to the "Qualifying Consumption" and based on the rate schedule which would apply to the Customer absent this rate schedule. The customer may elect to begin service under this schedule on the first month or thirteenth month of service with the Company.

Billing Months

In Contract Year		Adjustment Factor
1st	Through 12th	75.00%
13th	Through 24th	75.00%
25th	Through 36th	75.00%
37th	Through 48th	75.00%
After 48 Months		100.00%

Reporting Requirements

The Company shall file semiannual reports with the Tennessee Public Utility Commission within 30 days of the end of each six months. Reports shall include the following: T

(1) Identity of the new customer by account number
(2) The value of the discount offered
(3) The volume of gas sold to the customer in the preceding six months

No monthly report is required if the Company had no customers receiving a discount during the relevant period and had no customers which were evaluated for the discount and rejected during the relevant period.

Minimum Bill

The minimum monthly bill shall be the Customer Charge plus the Monthly Demand Charge, if any.

ECONOMIC DEVELOPMENT GAS SERVICE

Schedule 280: All Service Areas (continued)

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of 5% may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following the date of issue.

Purchased Gas Adjustment

Bills for service are subject to the cost of purchased gas in accordance with the Purchased Gas Adjustment (PGA) Rider approved by the Tennessee Public Utility Commission. T

NEGOTIATED GAS SERVICE

RATE SCHEDULE 291: ALL SERVICE AREAS

Availability

Gas Service under this rate schedule is available to those customers having alternate fuel capability at the Company's discretion. This rate schedule is designed to permit the Company to meet alternate fuel and/or gas to gas competition. Service under this rate schedule shall be fully optional and subject to curtailment prior to optional customers on regular Rate Schedule 250. T

The intent of this rate schedule is to provide the Company flexibility to sell gas at negotiated rates when the otherwise applicable tariff rates are non-competitive. The Company will make every effort to maximize recovery of base margins and fixed components of the purchased gas adjustment.

Rate

Customer Charge

A monthly customer charge equivalent to the otherwise applicable companion tariff per meter is payable regardless of the usage of gas.

Commodity Charge

The rates charged under this rate schedule shall be negotiated monthly on a per customer basis. The Company may require supporting documents from the end-user certifying that the cost of available alternate supply is less than the otherwise applicable tariff rate. The maximum charge shall not exceed the sales rate schedule under which the customer would otherwise be charged. The minimum charge shall not be less than the commodity cost of gas plus $.01 per Ccf.

Minimum Bill

The minimum monthly bill shall be the customer charge.

NEGOTIATED GAS SERVICE (Continued)

RATE SCHEDULE 291: ALL SERVICE AREAS

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.

Rate Schedule Subject to Change

The rates, terms, and conditions set forth in this rate schedule are subject to Company Rules and Regulations on file and approved by the Tennessee Public Utility Commission as provided by law. T

Unauthorized Gas

In the event customer fails to discontinue the use of gas after one-half (1/2) hour notice that gas under this schedule is not available, all gas so used shall be paid for by the Customer at the rate charged the Company by the supplier for all such unauthorized gas in addition to all other charges payable under this rate schedule.

COGENERATION, COMPRESSED NATURAL GAS, PRIME MOVER, FUEL CELL SERVICE

Schedule 292: All Service Areas

Purpose

The purpose of providing service under this schedule is to increase utilization of system supplies and system capacity.

Applicability

This schedule is available to the extent gas supply and delivery capacity is available to commercial and industrial customers, existing or new, for use as a single prime fuel source to generate electrical and thermal energy in order to optimize efficiency. This schedule is also available for compressed natural gas for automobile and truck fleets and fuel cell service.

Eligibility

Eligible customers shall include those who are currently connected to the Company's gas main or who will become newly connected. In either case, service will be provided, at the Company's option, through a separate meter.

Character of Service

Natural gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area, or such higher delivery pressure as agreed upon by customer and Company.

Rate

Customer Charge

A monthly customer charge of $50.25 is payable regardless of the usage of gas. I

Customer charge for adjacent connected load will not be duplicated, otherwise the facilities charge will be at the customer's regular schedule charge.

Monthly Charge

First	20,000	Ccf per month	$.1751 I
Next	480,000	Ccf per month	$.1159 I
Over	500,000	Ccf per month	$.0537 I

COGENERATION, COMPRESSED NATURAL GAS, PRIME MOVERS, FUEL CELL SERVICE
(Continued)

Schedule 292: All Service Areas

Payment

Each monthly bill for service is due when rendered at the rate shown above and shall be paid in full at any office of the Company within ten (10) days from the date mailed or otherwise delivered.

Contract

Customers shall contract for service hereunder for a term of not less than one (1) year. Upon the expiration of any contract term, the contract shall be automatically renewed for a period of one (1) year. At any time following the first contract year, service may be terminated by either party following at least six (6) months written notice to the other party.

Purchased Gas Adjustment

Bills for service are subject to the cost of purchased price in accordance with the Purchased Gas Adjustment (PGA) Rider approved by the Tennessee Public Utility Commission. T

Service Regulations

Gas service at these schedules will be furnished in accordance with the Company's General Rules and Regulations, approved by the Tennessee Public Utility Commission, copies which are available for public inspection during regular business hours at each of the Company's offices. T

LARGE TONNAGE AIR CONDITIONING GAS SERVICE

Schedule 293: All Service Areas

Purpose

The purpose of providing service under this schedule is to increase utilization of system supplies and system capacity.

Applicability

This schedule is available to the extent gas supply and delivery capacity is available to commercial and industrial customers, whose requirements may include high load factor systems that provide chilled water, space conditioning, processing, and/or humidity control. These conditions may be accomplished by the utilization of absorption, gas engine driven or desiccant systems.

Eligibility

Eligible customers shall include those who are currently connected to the Company's gas main or who will become newly connected. In either case, service will be provided, at the Company's option, through a separate meter.

Character of Service

Natural gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area, or such higher delivery pressure as agreed upon by customer and Company.

Rate

Customer Charge

A monthly customer charge of $50.25 is payable regardless of the usage of gas. I

Customer charge for adjacent connected load will not be duplicated; otherwise the facilities charge will be at the customer's regular schedule charge.

Monthly Charge

First	20,000	Ccf per month	$.1751 I
Next	480,000	Ccf per month	$.1159 I
Over	500,000	Ccf per month	$.0537 I

LARGE TONNAGE AIR CONDITIONING GAS SERVICE (Continued)

Schedule 293: All Service Areas

Payment

Each monthly bill for service is due when rendered at the rate shown above and shall be paid in full at any office of the Company within ten (10) days from the date mailed or otherwise delivered.

Contract

Customers shall contract for service hereunder for a term of not less than one (1) year. Upon the expiration of any contract term, the contract shall be automatically renewed for a period of one (1) year. At any time following the first contract year service may be terminated by either party following at least six (6) months written notice to the other party.

Purchased Gas Adjustment

Bills for service are subject to the cost of purchased gas in accordance with the Purchased Gas Adjustment (PGA) Rider approved by the Tennessee Public Utility Commission. T

Service Regulations

Gas service at these schedules will be furnished in accordance with the Company's General Rules and Regulations, approved by the Tennessee Public Utility Commission, copies which are available for public inspection during regular business hours at each of the Company's offices. T

EMERGENCY SERVICE

RATE SCHEDULE 294: ALL SERVICE AREAS

Availability

To any regular natural gas customer subject to curtailment of service under the provisions of Company's optional rate schedules provided such customer has installed a standby or alternate energy capability with such capability being inoperative or unavailable, or having exhausted all supplies or alternate energy, as a result of a bona fide existing, or threatened, emergency which would otherwise force discontinuance of customer's operations.

Rate

In addition to Regular Rate under which Customer receives Gas Service a charge of $2.50 per Mcf, or $.25 per Ccf. T

Character of Service

1. Any Customer desiring gas deliveries under this schedule must request such from Company's Load Control Department on a day-to-day basis, and Company reserves the right to refuse such service and to discontinue the furnishing of such service at any time should Company deem it necessary.

2. When Customer requests and is authorized service under this schedule, such request will be recorded on Company's records, and Customer will be billed under this schedule for all volumes shown by Company's measuring equipment for the period commencing with the curtailment order and terminating at the time of release from curtailment, excluding any quantity of "firm gas" allowed by contract.

3. Gas deliveries under this schedule will be made from pipeline allocations when a surplus is available, or, at the election of Company, will be made from the gas storage facilities of the Company.

4. All other provisions of the current rate schedule under which Customer is receiving service shall app

ARM
Annual Review Mechanism

Applicable

To all gas sold and transported under tariff services, excluding approved special contracts.

Purpose

This Annual Review Mechanism ("ARM") is implemented under the provisions of Tennessee Code Annotated Section 65-5-103(d) (6), which authorizes the Company to opt for an annual review of the Company's rates. Pursuant to this ARM and the annual filings described in section A. below, the Company's tariff rates (excluding approved special contract rates) shall be adjusted to provide that the Company earns the Authorized Return on Equity. The rate adjustments implemented under this mechanism will reflect changes in the Company's revenues, cost of service, and rate base. The ARM may be terminated or modified as provided under Tennessee Code Annotated 65-5-103(d) (6) (D) and the Final Orders in TPUC Docket Nos. 14-00146 and 18-00112.

Definitions

A) **Annual Filing Date** shall be the date the Company will make its annual ARM filing. The Annual Filing Date shall be no later than February 1 of each year.

B) **Historic Test Period** is defined as the twelve-month period ending September 30 of each year prior to each Annual Filing Date.

C) **Rate Effective Year** is defined as the twelve months beginning June 1 of the year following the end of the Historic Test Period.

D) **Authorized Return on Equity is** defined as the return on equity established in TPUC Docket No. 14-00146, or in any subsequent Tennessee general rate case for Atmos Energy, whichever is more recent.

E) **Overall Cost of Capital.** is defined as the overall cost of capital for the applicable period, as stated on Schedule 9, determined in accordance with the Approved Methodologies and utilizing the Authorized Return on Equity.

F) **New Matters** refers to any issue, adjustment, and/or ambiguity in or for any account, method of accounting or estimation, or ratemaking topic that would directly or indirectly affect the Annual ARM Filing for which there is no explicit prior determination by the Commission regarding the Company since initiating the Annual Rate Mechanism in TPUC Docket 14-00146.

G) **Approved Methodologies** are defined as the methodologies explicitly approved and adopted by the Commission in TPUC Docket No. 14-00146 or in any subsequent Tennessee general rate case or Commission docket for Atmos Energy, or as modified following a determination on a New Matter all as applied to enable the Annual Review Mechanism described in the Stipulation and Settlement Agreement in Docket No. 18-00012 and this ARM Tariff

H) **Annual Reconciliation Revenue Requirement ("ARRR")** as set forth more fully in the Settlement Agreement, is calculated by comparing actual adjusted cost of service excluding gas cost from the Historic Test Period just completed with actual, adjusted gross margin (plus/minus any previous ARRR) from the same period and adding carrying costs to the difference.

I) **Carrying Costs** are computed by applying the Company's overall rate of return to the Net Revenue Deficiency (Sufficiency) on Schedule 1R incurred during the Historic Test Period from the midpoint date of the historic test period through the date new rates become effective.

J) **Relieved Amounts** are those that have been transferred from the regulatory asset (Account 186) to Account 107, Construction Work in Progress.

K) **Settlement Agreement** refers to the Stipulation and Settlement Agreement in Docket No. 18-00112, together with all of its Exhibits.

ARM Filing

On the Annual Filing Date each year the Company shall file with the Commission schedules and supporting work papers that calculate the revenue requirement and rate adjustment necessary to allow the Company to earn its Authorized Return on Equity as well as the Annual Reconciliation Revenue Requirement for the Historic Test Period, determined in accordance with the Approved Methodologies and this ARM Tariff. The Annual Filing shall include pre-filed testimony supporting the underlying schedules and work papers.

A. **Contents of the Annual Filing.** The ARM filing shall include:

Schedule 1: **Cost of Service**

Summarizes the elements of cost of service, including gas cost expense, operation and maintenance expense, depreciation expense, taxes other than income taxes, return on rate base, income tax, allowance for funds used during construction ("AFUDC") and interest on customer deposits. Compares the total cost of service to revenue at present rates in order to calculate a net revenue deficiency/ sufficiency. Additionally, includes the Annual Reconciliation Revenue Requirement and calculates the net adjustment necessary to be implemented during the Rate Effective Year. Schedule 1R calculates the cost of service to be used for the purpose of calculating the ARRR and calculates the ARRR .

Schedule 2: Summary of Actual Revenues for the Historic Test Period

Presents per-book revenues for the Historic Test Period.

Schedule 3: **Cost of Gas**

Presents Historic Test Period per-book gas cost. Includes ratemaking adjustments consistent with the Approved Methodologies.

Schedule 4: Operation and Maintenance Expenses

Presents Historic Test Period per-book operation and maintenance expense. Includes ratemaking adjustments consistent with the Approved Methodologies.

Schedule 5: Taxes Other than Income

Presents Historic Test Period per-book taxes other than income taxes expense. Includes ratemaking adjustments consistent with the Approved Methodologies.

Schedule 6: Depreciation and Amortization Expenses

Presents Historic Test Period per-book depreciation and amortization expense. Includes ratemaking adjustments to reflect end of Historic Test period plant levels and those consistent with the Approved Methodologies. Also includes adjustments to reflect impact of proposed depreciation rates, if any.

Schedule 7: Rate Base and Return

Presents the calculation of the Historic Test Period rate base in accordance with the provisions of this ARM Tariff. Includes the Regulatory Asset and ratemaking adjustments consistent with the Approved Methodologies. Schedule 7R calculates the historic average rate base for use in the calculation of the ARRR.

Schedule 8: Computation of State Excise and Income Taxes

Presents the calculation of state excise taxes and income taxes on the required return on rate base for the Historic Test Period. Schedule 8R calculates state excise taxes and income taxes on the required return for use in the calculation of the ARRR.

Schedule 9: Overall Cost of Capital

Presents the calculation of the overall cost of capital based on the capital structure, debt cost rates and the required rate of return on equity. Schedule 9R calculates overall cost of capital for use in the calculation of the ARRR.

Schedule 10: Rate of Return

Presents the calculation of a rate of return on rate base and a rate of return on the equity-financed portion of rate base for the Historic Test Period, with costs and revenues as presented in Schedules 2 through 9. Schedule 10R presents the calculation of a rate of return on rate base and a rate of return on the equity-financed portion of rate base for use in the calculation of the ARRR.

Schedule 11: Proof of Revenues and Calculation of Rates

Presents the calculation of new tariff rates by customer class and rate schedule for the Rate Effective Year consistent with the cost of service and net revenue deficiency / sufficiency presented on Schedule 1 (including the ARRR).

1. Schedule 11-1: Actual Revenue for the Historic Test Period and Weather Normalizing Adjustments
2. Schedule 11-2: Proof of Revenues and Calculation of Rates, Rate Effective Year Margin at Present Rates
3. Schedule 11-3: Proof of Revenues and Calculation of Rates, Rate Design for Rate Effective Year
4. Schedule 11-4: Proof of Revenues and Calculation of Rates, Summary of Present and Proposed Rates.

TPUC Staff Revenue Requirement Schedules Relied-Upon Files:

Referenced years of documents to be updated with each annual filing

1. ADIT to Rates; Reconciliation of account balance by book/tax component
2. Blending percentages for Greenville and CKV Center
3. Cash Working Capital
4. Composite Factors for Rates Effective - Support for allocation factors used within Historic Period
5. Gas Storage
6. Intercompany Leased Property
7. Plant Balances

Weather Normalization

1. 30 Year Smoothed Normal Bristol Weather
2. 30 Year Smoothed Normal Knoxville Weather
3. 30 Year Smoothed Normal Nashville Weather
4. 30 Year Smoothed Normal Paducah Weather

Incentive Compensation Disallowance Calculation
Trial Balance
General Ledger

B. Revenue Requirements. In presenting data that demonstrates revenue requirement and its elements:

a. Rate Base and Cash Working Capital requirements will be determined in accordance with the Approved Methodologies. The Company will use the factors derived from the Lead/Lag study performed in its most recent general rate case in calculating cash working capital requirements.

(i) Plant balances (Plant in Service, CWIP, Accumulated Depreciation) shall be the balances allocable to Tennessee as of the end of the Historic Test Period.

(ii) Accumulated Deferred Income Taxes shall be the balance allocable to Tennessee as of the end of the Historic Test Period.

(iii) The Company shall be authorized to establish and include in rate base a regulatory asset to record Interest Deferrals, Depreciation Expense Deferrals and Ad Valorem Deferrals associated with plant in-service which has been placed in service subsequent to the previous Historic Test Period and have not otherwise been included in Rate Base. The balance of the Regulatory Asset as of the end of the Historic Test Period shall be included in plant and rate base. The balance of the Regulatory Asset shall be comprised of Interest Deferrals (including RWIP interest deferrals), Depreciation Expense Deferrals and Ad Valorem Deferrals as discussed below.

(iv) Interest Deferrals: The Company shall record monthly interest into a Regulatory Asset. Interest shall be calculated at the pretax Overall Cost of Capital on all plant and RWIP that has been closed and placed into service (and including previously deferred interest) and shall continue to accrue and be added to the Regulatory Asset account for so long as the plant has not yet been included in rates. The balance on which interest is calculated shall account for capital investment net monthly of (1) a provision adding or subtracting deferred income taxes on assets not yet in rates; (2) a provision subtracting the increase in accumulated depreciation on assets already included in rates; and (3) a provision adding the depreciation expense deferred on assets not yet included in rates.

(v) Depreciation Expense Deferrals: On a monthly basis, depreciation expense shall be calculated on capital investment not yet included in rates and added to the balance of the Regulatory Asset.

(vi) Ad Valorem Deferrals: The annual calculation of the ad valorem deferral amounts is based on the general ledger account balances of 1010 and 1070 for projects as of the state ad valorem assessment date. The annual ad valorem tax rates applied to these balances shall be those provided by the Atmos Energy Tax Department based on the most recent tax rate information available. The calculated ad valorem tax deferral amount shall be divided by 12 and applied on a monthly basis for the following year. On a monthly basis, ad valorem taxes, so calculated, shall be added to the Regulatory Asset. A Deferral for Ad Valorem taxes shall not be determined for any assets that are exempt from Ad Valorem Tax Expense.

(vii) RWIP Interest Deferrals: Retirement Work in Progress (RWIP) interest deferral amounts shall be calculated and added to the Regulatory Asset monthly, based upon the pretax Overall Cost of Capital, applied to closed RWIP for identified projects excluding any relieved amounts.

(viii) Relief of Regulatory Asset Accounts: Upon the effective date of new rates, the balance of the Regulatory Asset as of the end of the Historic Test Year shall be relieved and transferred to plant and included in rate base. This shall be accomplished by debiting Construction Work in Progress (CWIP) (account 1070.14218) and crediting the Regulatory Asset (account 1860.14218).

b. Depreciation expenses shall reflect the depreciation rates approved by the Commission in the Company's most recent general rate case or subsequent approval pursuant to this tariff applied to end-of-test-year plant balances If and when the Company performs a new depreciation study, the new study will be filed with the Commission. Following any appropriate discovery and rebuttal and conditioned upon approval by the Commission of new rates, the Company shall calculate depreciation expenses using the newly approved rates in its subsequent Annual ARM Filing.

c. Operating Expenses (O&M, Taxes other than Income Taxes, and Income Taxes) will be calculated using the Approved Methodologies.

d. The Historic Test Period data shall include actual revenues by billing component.

e. Cost of Capital will be calculated using the Authorized Return on Equity. The Company's cost of debt and capital structure will be calculated using the Approved Methodologies.

f. Schedules filed pursuant to this mechanism shall utilize the Approved Methodologies as well as other adjustments required to account properly for atypical, unusual, or nonrecurring events.

C. New Matters. If New Matters arise, the Company, TPUC Staff, and the Consumer Advocate will endeavor to reach a resolved treatment, or if necessary, will seek a ruling from the Commission.

D. Attestation

With each Annual ARM Filing, a Company officer shall, as of the date of each Annual ARM Filing, affirmatively represent and warrant, upon information and belief formed after reasonable inquiry, by signing a certificate ("Certificate") under oath: (1) That the Company's Annual ARM Filing has been prepared in accordance with the Approved Methodologies and this ARM Tariff, or that any deviation from or the resolution of any ambiguities in the Approved Methodologies has been affirmatively disclosed and explained in a document attached to such affidavit; (2) That all New Matters have been affirmatively disclosed and explained in a document attached to such affidavit; (3) That the Variance Report (as defined in section IX) includes all matters that are required; (4) That no Disallowed Items have been included in the Company's Annual ARM Filing; (5) That, except as expressly disclosed in a separate schedule dedicated to such disclosure, there have been no additions, deletions, or modifications to the accounts or subaccounts used by the Company as such accounts have been provided to the Commission and Consumer Advocate; (6) That there has been no change in the method of accounting or estimation in any account or subaccount referenced and described in the immediately preceding subsection (5).

ATMOS ENERGY CORPORATION

E. June 1 Rate Adjustment

Pursuant to the provisions of Tennessee Code Annotated 65-5-103(d)(6)(C), based upon the Approved Methodologies and the provisions of this ARM Tariff, the Company's tariff rates shall be adjusted to the sum of the revenue requirement necessary for the Company to earn the Authorized Return on Equity applicable to the Historic Test Period (As Adjusted), plus/minus the Annual Reconciliation Revenue Requirement. All tariff rates shall be adjusted in proportion to the relative adjusted Historic Test Period revenue share of each class and rate, as specified in the Approved Methodologies. The Company shall file revised tariffs reflecting the new rates. The revised tariffs and new rates shall be effective for bills rendered on or after the June 1 immediately following the Annual Filing Date. Approved special contract rates shall be exempt from this ARM and shall not be adjusted hereunder.

F. The Company will simultaneously copy the Consumer Advocate on all filings made pursuant to this ARM tariff.

G. Variance Reporting and Consumer Advocate Authority to Petition

a. **Variance Reporting** - As part of its Annual ARM Filing, Atmos Energy shall prepare and file with TPUC, with a copy to the Consumer Advocate, a Variance Report that identifies and explains each and every Atmos Energy revenue and operating expense account and/or subaccount for which the Tennessee amount (including amounts allocated to Tennessee) either exceeds the prior year's amount (based on amounts either as filed by Atmos Energy in the Annual ARM Filing or as adjusted by the TRA under Tenn. Code Ann. § 65-5- 103(d)(6)(C)) by 5% and $30,000; or exceeds the amount (based on amounts either as filed by Atmos Energy in the Annual ARM Filing or as adjusted by the TPUC under Tenn. Code Ann. § 65-5-103(d)(6)(C)) in such account in the third preceding year by 10% and $60,000; or has been added or deleted or modified in form or substance in any way. As to any account and/or subaccount (and including without limitation any process related directly or indirectly to any such account or subaccount) included on a Variance Report, the TPUC and/or Consumer Advocate shall have the right in its discretion to request additional information and an explanation from Atmos Energy. Atmos Energy will provide any such information or explanation requested within ten business days of such request. The Consumer Advocate, further, has the right in its discretion to bring such account and/or subaccount (or related process) to the attention of the Commission and to request the Commission to review and consider such account and/or subaccount (or related process). Without limiting the Commission's discretion, the Consumer Advocate may recommend any form or process of review it deems appropriate, including without limitation a review that would include the appointment of a third party to review and report on the account and/or subaccount (or related process).

b. **Consumer Advocate Authority to Petition** -- The Consumer Advocate shall have the right in its sole discretion to file a petition or complaint asking the TRA to terminate or modify any ARM Tariff resulting from this Docket or any directly or indirectly related docket or to take any other action contemplated by Tenn. Code Ann. § 65-5-103(d)(6). Atmos Energy shall not oppose the Consumer Advocate's petition or complaint filed under this Section on the grounds that such a proceeding is not statutorily authorized or that Consumer Advocate is not authorized to bring such a proceeding; provided, however, that Atmos Energy reserves all rights with regard to the merits of any termination or modification or other relief that the Consumer Advocate may request or position that the Consumer Advocate may assert in any such proceeding.

PURCHASED GAS ADJUSTMENT RIDER

I. General Provisions

A. This Purchased Gas Adjustment (PGA) Rider is intended to permit the Company to recover, in a timely fashion, the total cost of gas purchased for delivery to its customers and to assure that the Company does not over-collect or under-collect Gas Costs from its customers.

B. This Rider is intended to apply to all Gas Costs incurred in connection with the purchase, transportation and/or storage of gas purchased for general system supply, including, but not limited to, natural gas purchased from interstate pipeline transmission companies, producers, brokers, marketers, associations, intrastate pipeline transmission companies, joint ventures, providers of liquefied natural gas (LNG), liquefied petroleum gas (LPG), substitute, supplemental or synthetic natural gas (SNG), and other hydrocarbons used as feed-stock, other distribution companies and end-users, whether or not Gas Costs are regulated by the Federal Energy Regulatory Commission and whether or not the provider of the gas, transportation or storage is affiliated with the Company

C. To the extent practicable, any revision in the PGA shall be filed with the Tennessee Public Utility Commission no less than thirty (30) days in advance of the proposed effective date and shall be accompanied by the computations and information required by this Rider. It is recognized, however, that in many instances the Company receives less than 30 days notice from its Suppliers and that other conditions may exist which may prevent the Company from providing 30 days advance notice. Therefore, should circumstances occur where information necessary for the determination of an adjustment under this Rider is not available to the Company so that the thirty (30) days requirement may be met, the Company may, upon good cause shown, be permitted to place such rates into effect with shorter advance notice. T

D. The rates for Gas Service set forth in all of the Rate Schedules of the Company shall be adjusted pursuant to the terms of the PGA, or any specified portion of the PGA as determined by individual Rate Schedule(s). T

E. No provision of this Rider shall supersede any provision of a Special Contract approved by the Tennessee Public Utility Commission T

PURCHASED GAS ADJUSTMENT RIDER

II. Definitions.

A. "Gas Costs" -- shall mean the total delivered cost of gas paid or to be paid to Suppliers, including, but not limited to, all commodity/gas charges, approved costs associated with hedging activities, demand charges, peaking charges, surcharges, emergency gas purchases, over-run charges, capacity charges, standby charges, gas inventory charges, minimum bill charges, minimum take charges, take-or-pay charges and take-and-pay charges (except as provided below), storage charges, service fees and transportation charges and any other similar charges which are paid by the Company to its gas suppliers in connection with the purchase, storage, hedging activities, or transportation of gas for the Company's system supply.

B. "Fixed Gas Costs" -- shall mean all Gas Costs based on the Company's right to demand gas or transportation on a daily or seasonal peak; but unless otherwise ordered by the Commission, shall not include other charges paid for gas reserve dedication (e.g., reservation fees and gas inventory charges), minimum bill charges, minimum take charges, over-run charges, emergency gas charges, take-or-pay
charges or take-and-pay charges (all of which shall be considered commodity costs).

C. "Gas Charge Adjustment" -- shall mean the per unit amount billed by the Company to its customers solely for Gas Costs. The Gas Charge Adjustment shall be separately stated for firm customers and for non-firm customers.

D. "Suppliers" -- shall mean any person or entity, including affiliates of the Company, who locates, purchases, sells, stores and/or transports natural gas or its equivalent for or on behalf of the Company. Suppliers may include, but not be limited to, interstate pipeline transmission companies, producers, brokers, marketers, associations, intrastate pipeline transmission companies, joint ventures, providers of LNG, LPG, SNG, and other hydrocarbons used as feed-stock, other distribution companies and end-users.

E. "Computation Period" -- shall mean the twelve (12) month period utilized to compute Gas Costs. Such period shall be the twelve (12) month period ending on the last day of a month which is no more than 62 days prior to the filing date of a PGA.

F. "Demand Billing Determinants" -- shall mean the annualized volumes for which the Company has contracted with Suppliers as of the first day of the Filing Month.

G. "Commodity Billing Determinants" -- shall mean the total metered throughput, regardless of source, during the Computation Period, adjusted

PURCHASED GAS ADJUSTMENT RIDER (Continued)

for known and measurable changes. Should the Company expect to purchase commodity gas from several Suppliers, the Company shall allocate to each supplier a percentage of the total metered throughput, regardless of source, during the Computation Period, adjusted for known and measurable changes. The percentage used to allocate among Suppliers shall be based on historical takes during the Computation Period, if appropriate; otherwise it shall be based upon the best estimate of the Company.

H. "Filing Month" -- shall mean the month in which a proposed revision is to become effective.

III. Computation and Application of the PGA.

The Purchased Gas Adjustment shall consist of three major components: (1) the Gas Charge Adjustment; (2) the Refund Adjustment; and (3) the Actual Cost Adjustment (ACA).

A. Computation of Gas Charge Adjustment.

The Company shall compute the jurisdictional Gas Charge Adjustment at such time that the Company determines that there is a significant change in its Gas Costs.

1. Formulas. The following formulas shall be sued to compute the Gas Charge Adjustment:

$$\text{Firm GCA} = \frac{D + DACA}{} - DB + \frac{P + T + SR + CACA}{SF} - CB$$

$$\text{Non-Firm GCA} = \frac{(P + T + SR + CACA)}{(\quad ST \quad)} - CB$$

2. Definitions of Formula Components.

GCA = The Gas Charge Adjustment in dollars per Ccf/therm, rounded to no more than five decimal places.

D = The sum of all fixed Gas Costs.

DACA = The demand portion of the ACA.

P = The sum of all commodity/gas charges.

T = The sum of all transportation charges.

PURCHASED GAS ADJUSTMENT RIDER (Continued)

SR	=	The sum of all FERC approved surcharges.
CACA	=	The commodity portion of the AGA.
DB	=	The per unit rate of demand costs or other fixed charges included in base rates in the most recently completed general rate case (which may be zero if the Company so elects and the Tennessee Public Utility Commission so approves). T
CB	=	The per unit rate of variable Gas Costs included in base rates in the most recently completed general rate case (which may be zero if the Company so elects and the Tennessee Public Utility Commission so approves). T
SF	=	Firm sales.
ST	=	Total sales.

3. Determination of Factors for Gas Charge Adjustment.

   a. Demand Charges (Factor D)

      All fixed Gas Costs that do not vary with the amount of gas purchased or transported, including but not limited to, the product resulting from the multiplication of (1) the respective Demand Billing Determinants by (2) the demand rates effective the first day of the Filing Month and (3) any fixed storage charges.

   b. Demand Actual Cost Adjustment (Factor DACA)
      See Subsection C of Section III.

   c. Purchased Commodity Charges (Factor P)

      All commodity or other variable gas costs associated with the amount of gas purchased or transported including, but not limited to, the product resulting from the multiplication of (1) the respective Commodity Billing Determinants by (2) the respective supplier's commodity/gas rate which are known, or it not known

PURCHASED GAS ADJUSTMENT RIDER (Continued)

which are reasonably anticipated, to be in effect on the first day of the Filing Month.

d. Transportation Charges (Factor T)

The transportation charges actually invoiced to the Company during the Computation Period or expected to be invoiced to the Company during the current period.

e. .FERC Approved Surcharges (Factor SR)

The sum of all FERC approved surcharges, including gas inventory charges or its equivalent, actually invoiced or expected to be invoiced to the Company during the Computation Period or to be effective the first day of the Filing Month by respective Suppliers.

f. Actual Cost Adjustment (Factor ACA)

See Subsection C of Section III.

g. Firm Sales (Factor SF)

The total volumes billed to the Company's firm customers during the Computation Period, regardless of source, adjusted for known and measurable changes.

h. Total Sales (Factor ST)

Total volumes billed to all the Company's customers during the Computation Period, regardless of source, adjusted for known measurable changes.

4. Modification of Formulas

The formulas set forth above are not designed for use with two-part demand/commodity rate schedules; therefore, the formulas may be modified for use with such rate schedules. In addition, the formulas may be modified from time to time to carry out the intent of this PGA Rider. Any amendment to the formulas shall be effective on the proposed effective date of the amendment unless the Tennessee Public Utility Commission shall act to suspend the proposed amendment within thirty days after the filing of the proposed amendment, in which case the proposed amendment shall be subject to notice and hearing.

T

PURCHASED GAS ADJUSTMENT RIDER (Continued)

5. Filing with the Tennessee Public Utility Commission. T

The computation of the Gas Charge Adjustment shall be filed in accordance with the notice requirements specified in Subsection C of Section I of this Rider, and shall remain in effect until a revised Gas Charge Adjustment is computed and filed pursuant to this Rider.

The Company shall file with the Tennessee Public Utility Commission a transmittal letter, an exhibit showing the computation of the Gas Charge Adjustment, a PGA tariff sheet, and any applicable revised tariff sheets issued by Suppliers. T

The transmittal letter shall state the PGA tariff sheet number, the service area(s), the primary reasons for revision, and the effective date.

If the Company proposes to recover any Gas Costs relating to (1) any payments to an affiliate or (2) any payments to a non-affiliate for emergency gas, over-run charges, take-or-pay charges and take-and-pay charges (except as provided below) or (3) the payment of any demand or fixed charges in connection with an increase in contract demand, the Company must file with the Tennessee Public Utility Commission a statement setting forth the reasons why such charges were incurred and sufficient information to permit the Tennessee Public Utility Commission to determine if such payments were prudently made under the conditions which existed at the time the purchase decisions were made. T

Any filing of a rate change under this Rider shall be effective on the proposed effective date unless the Tennessee Public Utility Commission shall act to suspend the proposed change within thirty days after filing, in which case the filing shall be subject to notice and hearing. T

The recovery of pipeline take-or-pay charges which were the subject of Docket No. U-87-7590 shall continue to be handled under procedures approved by the Tennessee Public Utility Commission in that docket until such time as such procedures may be modified or amended by further order of the Tennessee Public Utility Commission. T

B. Refund Adjustment.

The Refund Adjustment shall be separately stated for firm and non-firm customers, and may be either positive or negative.

PURCHASED GAS ADJUSTMENT RIDER (Continued)

1. Computation of Refund Adjustment.

The Company shall compute a Refund Adjustment on the last day of each calendar quarter using the following formulas:

$$\text{Firm RA} = \left[\frac{DR1 - DR2}{SFR}\right] + \left[\frac{CR1 - CR2 + CR3 + i}{STR}\right]$$

$$\text{Non-Firm RA} = \left[\frac{CR1 - CR2 + CR3 + i}{STR}\right]$$

2. Definitions of Formula Components

RA	=	The Refund Adjustment in dollars per Ccf/therm, rounded to no more than five decimal places.
DR1	=	Demand refund not included in a currently effective Refund Adjustment, and received from Suppliers by check, wire transfer, or credit memo.
DR2	=	A demand surcharge from a Supplier not includable in the Gas Charge Adjustment, and not included in a currently effective Refund Adjustment.
CR1	=	Commodity refund not included in a currently effective Refund Adjustment, and received from Suppliers by check, wire transfer, or credit memo.
CR2	=	A commodity surcharge from a supplier not includable in the Gas Charge Adjustment, and not included in a currently effective Refund Adjustment.
CR3	=	The residual balance of an expired Refund Adjustment.
i	=	Interest on the "Refund Due Customers' Account," using the average monthly balance based on the beginning and ending monthly balances. The interest rates for each calendar quarter used to compute such interest shall be a rate equal to the arithmetic mean (to the nearest one-hundredth of one percent) of the prime rate value published in the "Federal Reserved Bulletin" or in the Federal Reserve's "Selected Interest Rates" for the 4th, 3rd, and 2nd months preceding the 1st month of the calendar quarter.

PURCHASED GAS ADJUSTMENT RIDER (Continued)

SFR = Firm sales as defined in the Gas Charge Adjustment computation, less sales under a transportation or negotiated rate schedule.

STR = Total sales as defined in the Gas Charge Adjustment computation, less sales under a transportation or negotiated rate schedule.

3. Modification of Formula.

The formulas set forth above are not designed for use with two-part demand/commodity rate schedules; therefore, the formulas may be modified for use with such rate schedules. In addition, the formulas may be modified from time to time to carry out the intent of this PGA Rider. Any amendment to the formulas shall be effective on the proposed effective date of the amendment unless the Tennessee Public Utility Commission shall act to suspend the proposed amendment within thirty days after the filing of the proposed amendment, in which case the proposed amendment shall be subject to notice and hearing. T

4. Filing with the Tennessee Public Utility Commission. T

The computation of the Refund Adjustment shall be filed in accordance with the notice requirements specified in Subsection C of Section I this Rider and shall remain in effect for a period of twelve (12) months or for such longer or shorter period of time as required to appropriately refund the applicable refund amount.

The Company shall file with the Tennessee Public Utility Commission a transmittal letter, exhibits showing the computation of the Refund Adjustment and interest calculations, and a PGA tariff sheet. The transmittal letter shall state the PGA tariff sheet number, the service area(s), the reason for adjustment, and the effective date. Should the Company have a Gas Charge Adjustment filing to become effective the same date as a Refund Adjustment, a separate transmittal letter and PGA tariff sheet shall not be necessary. T

C. Actual Cost Adjustment.

Commencing with the initial effective date of this Rider, the Company shall calculate the ACA monthly. The Company may, at its option, file monthly to include the ACA in its calculation of the Gas Charge Adjustment but shall be required to do so at least annually.

The ACA shall be the difference between (1) revenues billed customers by means of the Gas Charge Adjustment and (2) the cost of gas invoiced the Company by Suppliers plus margin loss (if allowed by order of the Tennessee Public Utility Commission in another docket) as reflected in the Deferred Gas Cost account. T

PURCHASED GAS ADJUSTMENT RIDER (Continued)

The balance of said account shall be adjusted for interest at the rate provided for the calculation of interest with respect to the Refund Adjustment. The ACA shall be segregated into demand and commodity, and shall be added to or deducted from, as appropriate, the respective demand and commodity costs included in the Gas Charge Adjustment. Supplemental sheets showing the calculations of margin losses and cost savings shall also be provided.

D. Adjustments to Prior Period ACAs.

`In the event that circumstances warrant a correction to or restatement of a prior period ACA, such correction or restatement shall be made in accordance with the ACA calculation in effect for the time period(s) to which the correction or restatement relates. The resulting adjustment shall then be added to or deducted from the appropriate ACA in the next ensuing ACA filing with the Tennessee Public Utility Commission. T

E. Annual Filing with the Tennessee Public Utility Commission. T

Each year the Company shall file with the Tennessee Public Utility Commission an annual report reflecting the transactions in the Deferred Gas Cost Account. Unless the Tennessee Public Utility Commission provides written notification to the Company within 90 days, the Deferred Gas Cost Adjustment Account shall be deemed in compliance with the provisions of this Rider. T

IV. Gas Cost Accounting.

To appropriately match revenues with cost of purchased gas as contemplated under this rule, the Company shall originally record the cost of purchased gas in a "Deferred Gas Cost" account. Monthly, the Company shall debit "Natural Gas Purchases" with an amount equal to any gas cost component included in the Company's base tariff rates (base rate) plus the PGA rate, as calculated hereunder, multiplied by the appropriate sales volumes billed to customers. The corresponding monthly credit entry shall be made to the "Deferred Gas Cost" account.

ATMOS ENERGY CORPORATION

HEDGING ACTIVITIES

The Company may engage in hedging activities and recover those costs through the Purchased Gas Adjustment (PGA) Rider/Actual Cost Adjustment (ACA) Mechanism. Costs related to hedging transactions may be recovered through the ACA account; provided, however, that such costs recovered through the ACA account shall not exceed a predetermined budget. The hedging transaction budget shall be $4.0 million per winter season.

Hedging transactions, as used herein, shall include but not be limited to futures contracts, financial derivative products such as swaps, options, or other private agreements to hedge, manage or stabilize gas costs.

Costs related to hedging transactions recoverable through the ACA account shall be defined as all direct, transaction related costs arising from the Company's prudent efforts to stabilize or hedge its commodity gas costs including, without limitation, brokerage fees, and the costs of financial instruments. All costs related to hedging transactions, in addition to all gains and losses from hedging transactions, shall be credited/debited to the ACA after the hedging transaction closes and in the applicable winter month. Costs related to hedging transactions that are incurred prior to the month that the hedging transaction closes shall be temporarily recorded in a separate, noninterest-bearing account for tracking purposes.

The following types of financial instruments, either at the market, or out of the money, may be used to effectuate hedging transactions:

- Swaps (NYMEX or an appropriate market index)
- Upfront premium call options (NYMEX or an appropriate market index)
- Deferred premium call options (NYMEX or an appropriate market index)

Hedging transactions may be entered into beginning April 1st each year for the two upcoming winter seasons. Hedging transactions may hedge up to 50% of expected natural gas purchases for the upcoming winter season and up to 25% of expected natural gas purchases for the winter season following the upcoming winter season. Expected natural gas purchases are defined as winter normal requirements less expected storage withdrawals.

The Company shall make an annual presentation, prior to April 1st each year, to Commission Staff and the Consumer Advocate Division of the Office of the Tennessee Attorney General regarding the performance of its current winter Hedging Activities, as well as the status of hedges for the upcoming two winter seasons.

MARGIN LOSS RECOVERY RIDER

Intent and Applicability

This Margin Loss Recovery Rider is intended to authorize the Company to recover not more than ninety percent (90%) of the gross profit margin losses that result from rates negotiated under the provisions of Rate Schedule 291 or from customers who transfer from Rate Schedule 240 to optional service.

Determination of Gross Profit Margin Losses

The gross profit margin loss shall be calculated as ninety percent (90%) of the difference between the normally applicable Rate Margin as determined in the Company's most recent rate case order of the Tennessee Public Utility Commission and the Actual Negotiated Rate Margin and/or the margin loss incurred from the transfer of customers from Rate Schedule 240 to optional service. Any amount of gross profit margin losses shall be recovered from the commodity component of gas costs as determined under the presently effective Purchased Gas Adjustment Rider. T

Filing With the Tennessee Public Utility Commission T

Each gross profit margin loss accounting/recovery period shall correspond with the Company's Actual Cost Adjustment period.

CAPACITY ASSIGNMENT CREDIT RIDER

Applicability

The intent of this Rider is to allow the Company during certain periods to enter into contractual agreements with others to temporarily assign or release capacity held by the Company. The specific terms of such assignment and/or release shall be set forth in a contract between the Company and the assignee/lessee. Contracts with customers within the Company's service territories shall be filed with and approved by the Tennessee Public Utility Commission. T

Determination of Capacity Assignment Credit

Revenues related to commodity costs, fuel and related surcharges shall be a credit to the Deferred Gas Cost Account. Revenues related to any fixed demand costs, related surcharges and any additional administrative charges levied by the Company and/or its subsidiary shall be shared between the Company's customers and the Company on a 90%/10% basis.

Filing With the Tennessee Public Utility Commission T

The determination period of any revenues to be credited to the Deferred Gas Cost Account shall correspond with the Company's Reconciliation Year which ends June 30 each year. Supporting documentation of these transactions shall be maintained by the Company and made available to the Tennessee Public Utility Commission upon request. T

PERFORMANCE BASED RATEMAKING MECHANISM RIDER

Applicability

The Performance-Based Ratemaking Mechanism (the PBRM) replaces the reasonableness or prudence review of the Company's gas purchasing activities overseen by the Tennessee Public Utility Commission (the Commission) in accordance with Rule 1220-4-7-.05, Audit of Prudence of Gas Purchases. This PBRM is designed to encourage the utility to optimize its gas purchasing activities consistent with efficient operations and service reliability, and will provide for sharing of benefits or costs between the Company and the Company's customers. Each plan year will begin April 1. The annual provisions and filings herein will apply to this annual period. The PBRM will continue until it is either (a) terminated at the end a plan year by not less than 90 days' notice by the Company to the Commission or (b) modified, amended or terminated by the Commission. T T

Overview of Structure

The Performance-Based Ratemaking Mechanism consists of four parts;

A. Gas Procurement Incentive Mechanism
B. Capacity Management Incentive Mechanism
C. Avoided Cost Incentive Mechanism
D. Off System Sales Revenue Incentive Mechanism

Gas Procurement Incentive Mechanism

The Gas Procurement Incentive Mechanism (the GPIM) establishes a predefined benchmark index to which the Company's commodity cost of gas is compared. For commodity costs, on a monthly basis, the Company will compare its commodity cost of gas to the appropriate benchmark amount. The benchmark amount will be computed by multiplying actual purchase quantities for the month, including quantities purchased for injection into storage, by the appropriate price index. For monthly baseload purchases, the price index will be the appropriate *Inside FERC Gas Market Report* first of the month price for that particular month. For incremental swing purchases, the published *Platts's Gas Daily daily mid- point price* for the business day of gas flow will be used as the index. The net incentive benefits or costs from the GPIM will be shared between the Company's customers and the Company on a 75%/25%basis.

Capacity Management Incentive Mechanism

The Capacity Management Incentive Mechanism (the CMIM) is designed to encourage the Company to market off-peak unutilized transportation and storage capacity on upstream pipelines in the secondary market. It includes all credits the Company receives through its transportation invoice from the release of portions of its transportation contracts via pipelines' electronic bulletin boards/customer activity websites. Net incentive benefits or costs from capacity release will be shared between the Company's customers and the Company on a 75%/25% basis. It also addresses the sharing of asset management fees paid by asset managers, and other forms of compensation received by the Company for the release and/or utilization of the company's transportation and storage assets by third-parties. The net incentive benefits from asset management fees will be shared between the Company's customers and the Company on a 90% /10%basis.

Avoided Cost Incentive Mechanism

The Avoided Cost Incentive Mechanism (the ACIM) is designed to encourage the Company to explore ways to reduce upstream fixed and variable capacity costs associated with the transportation of gas commodity. Avoided cost can be accomplished through delivered service, transportation discounts obtained directly with the pipeline, indirectly through the acquisition of discounted released capacity, through variation from the Benchmark Path, or through the acquisition of seasonal capacity that avoids year round demand charges. Avoided Cost equals, on an annual basis, Total Benchmark Transportation Cost less Total Actual Transportation Cost. Total Benchmark Transportation Cost equals the total demand and variable transportation costs to purchase transportation services for the Company's peak day requirement plus reserve margin at tariff max rates using the Benchmark Path. The initial Benchmark Path is the path followed by Atmos Energy's current contracts and is set-forth in the Settlement Agreement in Docket No. 16- 00028. If Atmos Energy changes the path or capacity on any of the contracts that form the Benchmark Path, then one year from the effective date of the change the path and capacity from the new contract will become part of the Benchmark Path. During that one year period, savings will be determined by comparing the actual transportation cost of the new contract with the cost using the path for the old contract (priced at published FERC tariff max rates for the old contract's path); provided, however, that if the total capacity of the new contract exceeds that of the old contract, then the old contract's path will be used for comparison only up to the capacity of the old contract, and above that the new contract's path will be used for comparison. Following that one year period, savings on the new contract will be determined by comparing the actual transportation cost for the new contract against the cost for the new contract's path and capacity priced at published FERC tariff max rates. The capacity amounts in the Benchmark Path may be adjusted by the Company to account for any change in the Company's peak day requirement plus reserve margin, with such changes to be filed no later than 60 days after such adjustment. Resulting changes to the Benchmark Path shall become effective coincident with the effective date of the incremental transportation agreement; and the actual path and capacity of the incremental transportation agreement will become part of the Benchmark Path. Total Actual Transportation Cost equals the Company's actual annual total demand and variable transportation costs. For avoidance of doubt, whenever savings are calculated under the ACIM, the benchmark price used for comparison will always be the published FERC tariff max rate. Net savings under this mechanism shall be shared between the Company's customers and the Company on an 85%/15% basis.

Off-system Sales Revenue Incentive Mechanism

The Off-system Sales Revenue Incentive Mechanism (the OSIM) is designed to encourage the Company to generate revenue from off-system sales of excess natural gas commodity. Off-system sales occur after the gas requirements of Atmos' sales customers have been met and include direct sales of gas to third parties who are not subject to gas cost adjustment under the Purchased Gas Adjustment Clause in the Company's tariff. Net Margin on such off-system sales will be defined as the difference between the sales proceeds and the total variable costs incurred by the Company in connection with the transaction, including transportation and gas costs, taxes, fuel or other costs. For this calculation, in computing gas costs the Company will impute such costs for its related supply purchases at the benchmark first-of-the-month or daily index, as appropriate, on the pipeline and in the zone in which the sale takes place. Net Margin will be shared between the Company's customers and the Company on a 75%/25% basis.

Affiliate Transactions

The following guidelines present the minimum conditions deemed necessary to ensure that affiliate transactions between the Company and its affiliate(s) do not result in a competitive advantage over others providing similar services. These guidelines will remain in effect as long as the Company is operating under a performance based ratemaking plan. These guidelines may fail to anticipate certain specific methods by which such advantages may be conferred by the Company on its marketing affiliates. All Parties should be aware that to the extent such instances arise in the future, they will be judged according to this stated intent.

Definitions:

Terms used in these guidelines have the following meanings:

1. Affiliate, when used in reference to any person in this standard, means another person who controls, is controlled by, or is under common control with, the first person.

2. Control (including the terms "controlling", "controlled by", and "under common control with"), as used in this standard, includes, but is not limited to, the possession, directly or indirectly and whether acting alone or in conjunction with others, of the authority to direct or cause the direction of the management or policies of a company. Under all circumstances, beneficial ownership of more than ten percent (10%) of voting securities or partnership interest of an entity shall be deemed to confer control for purposes of these guidelines of conduct.

3. Marketing, as used in this standard, means selling or brokering natural gas to any person or entity, including the Company, by a seller that is not a local distribution company.

Standards of Conduct:

The Company must conduct its business to conform to the following standards:

1. If there is discretion in the application of tariff provisions, then the Company must apply such provisions relating to any service being offered in a consistent manner to all similarly situated entities.

2. The Company must strictly enforce a tariff provision for which there is no discretion in the application of the provision.

3. The Company must process all similar requests for services in the same manner and within the same period of time.

4. The Company may not give its marketing affiliate preference over nonaffiliated companies in natural gas supply procurement activities.

5. The Company may not give its marketing affiliate preference over nonaffiliated companies in its upstream capacity release activities.

6. The Company may not disclose to its marketing affiliate any information that the local distribution company receives from a non-affiliated marketer, unless the prior written consent of the parties to which the information relates has been voluntarily given.

7. To the extent the Company provides information related to its natural gas supply activities and upstream capacity release activities, it must do so contemporaneously to all nonaffiliated marketers that have submitted a written request for such information to the Company.

8. To the extent the Company provides information related to natural gas services being offered to a marketing affiliate, it must do so contemporaneously to all non-affiliated marketers that have submitted a written request for such information to the Company.

9. In transactions that involve either the purchase or receipt of information, assets, goods or services by the Company from an affiliated entity, the Company shall document both the fair market price of such information, assets, goods, and services and the fully distributed cost to the Company to produce the information, assets, goods or services for itself.

10. When the Company purchases information, assets, goods or services from an affiliated entity, the Company shall either obtain competitive bids for such information, assets, goods or services or demonstrate why competitive bids were neither necessary nor appropriate.

11. To the maximum extent practicable, the Company's operating employees and the5 operating employees of its marketing affiliate must function independently of each other. For the purposes of these guidelines, operating employees are those who are in any way involved in identifying and contracting with customers, locating gas supplies, making any and all arrangements with intervening pipelines and in any way managing or facilitating those contracted services.

12. The Company must maintain its books of accounts and records separately from those of its affiliate.

13. If the Company offers a discount to an affiliated marketer, it must make a comparable offer contemporaneously available to all similarly situated non-affiliated marketers.

14. The Company may not condition or tie its agreement to release its dedicated, stored, inventoried or optioned gas or supply contracts or upstream transportation and storage contracts to an agreement with a producer, customer, end-user or shipper relating to any service by its marketing affiliate, any services offered by the Company on behalf of its marketing affiliate, or any services in which its marketing affiliate is involved.

15. Prearranged, non-posted, capacity release transactions may not be entered into with any affiliate of the Company in any two consecutive thirty-day periods.

16. The Company must maintain a written log of tariff provision waivers which it grants. It must provide the log to any person requesting it within 24 hours of request. Any waivers must be granted in the same manner to the same or similar situated persons.

17. The Company shall maintain sufficiently detailed records that compliance with these guidelines can be verified at any time.

Complaints:

Any party may file a complaint relating to violations of these guidelines.

1. Any customer, marketer, or other interested third-party may file a complaint with the Authority relating to alleged violations of the affiliate standards set forth in these guidelines. At or before the time of filing, the complainant shall serve a copy of the complaint on the Company.

2. Within 10 business days of service of the complaint upon the Company, the Company shall file a written response to the complaint with the Authority with a simultaneous copy provide to the Consumer Advocate.

3. The Commission may hold hearings on any complaint filed or may take such other action (as it may deem appropriate), including requesting further information from the parties or dismissing the complaint. The Consumer Advocate may participate in these hearings should it so elect. T

4. After notice and opportunity for a hearing, should the Commission find that the Company has violated the standards contained in these guidelines, the Commission may impose any penalty or remedy provided for by law. T

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Reserve Margin

The Company may maintain a reserve of natural gas in excess of its projected peak day requirement and recover the cost of the reserve from their customers through the purchased gas adjustment (PGA). The projected peak day requirement shall be based upon a 1-in-30 weather condition (the coldest temperature expected in any 30-year period). All firm peak day capacity contracted for by the Company shall be considered as gas available to meet peak day demand. "Contract demand" shall be the amount of firm peak day capacity the Company is entitled to on a daily basis, pursuant to contract. The maximum peak day firm demand of the projected heating season shall form the base period demand to establish the Company's maximum peak day firm demand. A reserve margin of 7.5% or less in excess of the base period firm demand adjusted for specific gain or loss of customers and/or throughput on a specific case by case basis will be presumed reasonable.

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All capacity available to meet the peak day demand in excess of an amount needed to meet the base period peak day demand plus a 7.5% reserve margin must be shown by the Company to be necessary to meet its customers' requirements before it can be included in the PGA. All capacity available to meet demand less than an amount of base period demand plus a 7.5% reserve margin is presumed to be reasonable unless a factual showing to the contrary is made.

Determination of Shared Savings

Each month during the term of the PBRM, the Company will compute any savings or costs in accordance with the PBRM. If the Company earns any savings, a separate below the line Incentive Plan Account (IPA) will be debited with such savings. If the Company incurs any costs, that same IPA will be credited with such costs.

Interest shall be computed on balances in the IPA using the same interest rate and methods as used in the Company's Actual Cost Adjustment (ACA) account. The offsetting entries to IPA savings or costs will be recorded to income or expense, as appropriate.

Savings or costs accruing to the Company under the PBRM will form the basis for a rate increment or decrement to be filed and placed into effect separate from any other rate adjustments to recover or refund such amount over a prospective twelve-month period. Total annual (April 1 through March 31) savings shall be capped at $2 million. For the avoidance of doubt, such net savings or costs shall not be included as revenue or costs in connection with, or otherwise impact the operations of, the Company's Annual Review Mechanism Tariff; provided, however, that this provision shall not limit consideration of any issue in the Company's next (or any subsequent) general rate case proceeding.

Each year, effective July 1, the rates for all sales customers will be increased or decreased by a separate rate increment or decrement designed to amortize the collection or refund of the March 31 IPA balance over the succeeding twelve month period. The rate increment or decrement will be established by dividing the March 31 IPA balance by the appropriate sales billing determinants for the twelve months ended March 31. During the twelve-month amortization period, the amount collected or refunded each month will be computed by multiplying the sales billing determinants for such month by the rate increment or decrement, as applicable. The product will be credited or debited to the IPA, as appropriate. The balance in the IPA will be tracked as a separate collection mechanism. Each July 1 the unamortized amount of the previous year's IPA balance will be trued-up in the new rate increment or decrement.

Filing with the Commission T

The Company will file calculations of shared savings and shared costs quarterly with the Commission and a simultaneous copy to the Consumer Advocate not later than 60 days after the end of the quarter and will file an annual report not later than May 31. The Company will file calculations annually to verify the reasonableness of its reserve margin. T

Review Process

A comprehensive review of the transactions and activities covered by this PBR Tariff shall be conducted by an outside independent consultant. The next such review shall begin in September 2021, with the consultant's final report to be completed by July 1, 2022. Subsequent reviews shall be completed every 3 years thereafter unless otherwise ordered by the TPUC. T

The consultant shall be selected as follows. The TPUC Staff, the Consumer Advocate, and Atmos shall make an effort to maintain a list of no less than 5 mutually agreeable independent consultants or consulting firms qualified to conduct the aforementioned initial review. Any dispute concerning whether an independent consultant shall be added to the list shall be resolved by the TPUC Staff, after consultation with Atmos and the Consumer Advocate. For the review, the TPUC Staff shall select 3 prospective independent consultants from that list. Each such consultant shall possess the experience and expertise necessary to conduct the initial review. The TPUC Staff shall provide the list of prospective independent consultants to Atmos and the Consumer Advocate via electronic mail. Atmos and the Consumer Advocate shall each have the right, but not the obligation, to eliminate 1 of the prospective independent consultants from the list by identifying the consultant to be eliminated in writing to the TPUC Staff within 30 days from the date the list is e- mailed. The TPUC Staff shall select the independent consultant from those remaining on the list after Atmos's and the Consumer Advocate's rights to eliminate have expired. The cost of the review shall be reasonable in relation to its scope. Any and all relationships between the independent consultant and Atmos, the TPUC Staff and/or the Consumer Advocate shall be fully disclosed and the independent consultant shall have had no prior relationship with either Atmos, the TPUC Staff, or the Consumer Advocate for at least the preceding 5 years unless Atmos, the TPUC Staff and Consumer Advocate agree in writing to waive this requirement. The TPUC Staff, the Consumer Advocate and Atmos may consult amongst themselves during the selection process; provided, however, that all such communications between the Parties shall be disclosed to each Party not involved in such communication in advance so that each Party may participate fully in the selection process.

The scope of the review may include all transactions and activities covered by this PBR Tariff, and such additional matters as may be reasonably identified by Atmos, the TPUC Staff, or the Consumer Advocate.

Atmos, the TPUC Staff, or the Consumer Advocate may present documents and information to the independent consultant for the independent consultant's review (and subsequent reviews) and consideration. Copies of all such documents and information shall be presented simultaneously to the independent consultant and all other Parties.

The independent consultant shall complete and issue a written report of its findings and conclusions by the date ordered by the TPUC. The report deadlines may be waived by the written consent of the TPUC Staff, Atmos, and the Consumer Advocate. The independent consultant shall make findings of fact, as well as identify and describe areas of concern and improvement, if any, that in the consultant's opinion warrant further consideration. Atmos, the TPUC Staff, and/or the Consumer Advocate may cite the independent consultant's report to the Authority in support of recommendations or proposed changes, and the TPUC Staff, Atmos, or the Consumer Advocate may support or oppose such recommendations or proposed changes.

The independent consultant's findings and/or recommendations shall not be binding on any Party or on the Commission, and in any proceeding in which the consultant's findings or recommendations may be considered, the Commission shall give all issues *de novo* consideration. Any changes to the Asset Management Agreement, the bidding process, the assets under management, or otherwise, whether adopted by agreement or pursuant to a ruling of the Commission, shall be implemented on a prospective basis only, and following the normal expiration of any affected agreements.

The reasonable and prudent cost of the independent consultant's review shall be paid initially by Atmos and recovered through the ACA account. In any subsequent proceeding in which discovery or testimony from the consultant is sought concerning the consultant's review or findings, reasonable and prudent fees paid to the consultant for such discovery or testimony shall similarly be paid initially by Atmos and recovered through the ACA account. The TPUC Staff may continue its annual audits of the performance-based ratemaking (PBR) and the Annual Cost Adjustment (ACA) account, and the review shall not in any way limit the scope of such annual audits. T

ATMOS ENERGY CORPORATION

Applies to Union City, Tennessee

		FIRM		NON-FIRM	
(I , I)	Gas Charge Adjustment Effective October 1, 2025	$0.3473	per Ccf	$0.3349	per Ccf
(- , -)	PBR Adjustment for the 12 month period beginning July 1, 2025	$0.0115	per Ccf	$0.0115	per Ccf
(I , I)	Total PGA October 1, 2025	$0.3588	per Ccf	$0.3464	per Ccf
(I , I)	Total PGA Effective On and October 1, 2025	$0.3473	per Ccf	$0.3349	per Ccf
	Rate Schedule 240 Effective October 1, 2025				
(- , -)	Demand	N/A	per Ccf		
(I , -)	Commodity	$0.3464	per Ccf		

Issued 8/29/2025 **Effective October 1, 2025**
Issued by: Brannon Taylor, V. P. Rates and Regulatory Affairs

ATMOS ENERGY CORPORATION

Applies to Union City, Tennessee

			BASE RATE	PURCHASED GAS ADJUSTMENT	TOTAL RATE
		RATE SCHEDULE 210 - RESIDENTIAL			
(- , - ,	-)	Customer Charge (May - September)	$22.80		$22.80
(- , - ,	-)	Customer Charge (October - April)	$24.80		$24.80
(- , I ,	I)	All Consumption	$0.1774	$0.3588	$0.5362
(- , - ,	-)	Minimum Bill (May - September)	$22.80		$22.80
(- , - ,	-)	Minimum Bill (October - April)	$24.80		$24.80
		RATE SCHEDULE 211 - HEATING AND COOLING SERVICE			
(- , - ,	-)	Customer Charge	$16.75		$16.75
(- , I ,	I)	All Consumption	$0.0872	$0.3588	$0.4460
(- , - ,	-)	Minimum Bill	$16.75		$16.75
		RATE SCHEDULE 220 - COMMERCIAL/INDUSTRIAL FIRM			
(- , - ,	-)	Customer Charge	$50.25		$50.25
(- , I ,	I)	All Consumption	$0.3609	$0.3588	$0.7197
(- , - ,	-)	Minimum Bill	$50.25		$50.25
		RATE SCHEDULE 221 - EXPERIMENTAL SCHOOL RATE			
(- , - ,	-)	Customer Charge	$50.25		$50.25
(- , I ,	I)	All Consumption	$0.1719	$0.3464	$0.5183
(- , - ,	-)	Minimum Bill	$50.25		$50.25
		RATE SCHEDULE 225 - PUBLIC HOUSING			
(- , - ,	-)	Customer Charge (May - September)	$22.80		$22.80
(- , - ,	-)	Customer Charge (October - April)	$24.80		$24.80
(- , I ,	I)	All Consumption	$0.1774	$0.3588	$0.5362
(- , - ,	-)	Minimum Bill (May - September)	$22.80		$22.80
(- , - ,	-)	Minimum Bill (October - April)	$24.80		$24.80

Issued 8/29/2025 **Effective October 1, 2025**
Issued by: Brannon Taylor, V. P. Rates and Regulatory Affairs

ATMOS ENERGY CORPORATION

Applies to Union City, Tennessee

			BASE RATE	PURCHASED GAS ADJUSTMENT	TOTAL RATE
		RATE SCHEDULE 230 - LARGE COMMERCIAL/INDUSTRIAL FIRM			
(- , - ,	-)	Customer Charge	$505.00		$505.00
(- , I ,	I)	All Consumption	$0.3127	$0.3588	$0.6715
(- , - ,	-)	Minimum Bill	$505.00		$505.00
		RATE SCHEDULE 240 - DEMAND/COMMODITY			
(- , - ,	-)	Customer Charge	$505.00		$505.00
(- , - ,	-)	Demand Charge (per Ccf of			
(- , - ,	-)	Contract Demand)	$2.3022	N/A	$2.3022
		Consumption			
(- , I ,	I)	First 20,000 Ccf	$0.1751	$0.3464	$0.5215
(- , I ,	I)	Next 480,000 Ccf	$0.1159	$0.3464	$0.4623
(- , I ,	I)	Over 500,000 Ccf	$0.0537	$0.3464	$0.4001
		Minimum Bill	$505.00	plus the Demand Charge	$505.00
		RATE SCHEDULE 250 - OPTIONAL SERVICE			
		Customer Charge	$505.00		$505.00
		Consumption			
(- , I ,	I)	First 20,000 Ccf	$0.1751	$0.3464	$0.5215
(- , I ,	I)	Next 480,000 Ccf	$0.1159	$0.3464	$0.4623
(- , I ,	I)	Over 500,000 Ccf	$0.0537	$0.3464	$0.4001
(- , - ,	-)	Minimum Bill	$505.00		$505.00
		RATE SCHEDULE 260 - TRANSPORTATION			
(- , - ,	-)	Customer Charge	$505.00		$505.00
		Demand Charge (per Ccf of			
(- , - ,	-)	Contract Demand, if applicable)	$2.3022	N/A	$2.3022
		Consumption		(Margin of Normal Rate Schedule, plus or minus an adjusted PGA factor)	
(- , - ,	-)	Minimum Bill	$505.00	plus the Demand Charge	$505.00

Issued **8/29/2025** **Effective** **October 1, 2025**
Issued by: **Brannon Taylor, V. P. Rates and Regulatory Affairs**

ATMOS ENERGY CORPORATION

Applies to Union City, Tennessee

			BASE RATE	PURCHASED GAS ADJUSTMENT	TOTAL RATE
		RATE SCHEDULE 280 - ECONOMIC DEVELOPMENT			
		Customer Charge	(Equivalent to the companion tariff)		
		Demand Charge (per Ccf of			
(- , - ,	-)	Contract Demand, if applicable)	$2.3022	N/A	$2.3022
		Consumption	(A percentage of the Margin of Normal Rate Schedule, plus the PGA)		
		Minimum Bill	(Equivalent to the companion tariff plus the demand charge)		
		RATE SCHEDULE 291 - NEGOTIATED			
		Customer Charge	(Equivalent to the companion tariff)		
		Demand Charge (per Ccf of			
(- , - ,	-)	Contract Demand, if applicable)	$2.3022	N/A	$2.3022
		Consumption	Negotiated		
		Maximum Rate	Normally Applicable Rate Schedule		
		Minimum Rate	Commodity Cost plus $.01 per Ccf		
		Minimum Bill	(Equivalent to the companion tariff plus the demand charge)		
		RATE SCHEDULE 292 - COGENERATION, CNG, AND FUEL CELL			
(- , - ,	-)	Customer Charge	$50.25		$50.25
		Consumption			
(- , I ,	I)	First 20,000 Ccf	$0.1751	$0.3464	$0.5215
(- , I ,	I)	Next 480,000 Ccf	$0.1159	$0.3464	$0.4623
(- , I ,	I)	Over 500,000 Ccf	$0.0537	$0.3464	$0.4001
(- , - ,	-)	Minimum Bill	$50.25		$50.25
		RATE SCHEDULE 293 - LARGE TONNAGE AIR CONDITIONING			
(- , - ,	-)	Customer Charge	$50.25		$50.25
		Consumption			
(- , I ,	I)	First 20,000 Ccf	$0.1751	$0.3464	$0.5215
(- , I ,	I)	Next 480,000 Ccf	$0.1159	$0.3464	$0.4623
(- , I ,	I)	Over 500,000 Ccf	$0.0537	$0.3464	$0.4001
(- , - ,	-)	Minimum Bill	$50.25		$50.25

Issued **8/29/2025** **Effective** **October 1, 2025**
Issued by: **Brannon Taylor, V. P. Rates and Regulatory Affairs**

ATMOS ENERGY CORPORATION

Applies to Service Areas Other Than Union City, Tennessee

			FIRM		NON-FIRM	
(R	R)	Gas Charge Adjustment Effective October 1, 2025	$0.4381	per Ccf	$0.2833	per Ccf
(- ,	-)	PBR Adjustment for the 12 month period beginning July 1, 2025	$0.0115	per Ccf	$0.0115	per Ccf
		Refund Adjustment in Effect for a 12 Month Period Beginning on				
(R	R)	Total PGA October 1, 2025	$0.4496	per Ccf	$0.2948	per Ccf
(R	R)	Total PGA Effective On and After October 1, 2025	$0.4381	per Ccf	$0.2833	per Ccf
(R	-)	Rate Schedule 211 Effective October 1, 2025	$0.3070	per Ccf		
		Rate Schedule 240 Effective October 1, 2025				
(R	-)	Demand	$0.6826	per Ccf		
(R	-)	Commodity	$0.2948	per Ccf		

Issued **August 29, 2025** **Effective** **October 1, 2025**
Issued by: **Brannon Taylor, V. P. Rates and Regulatory Affairs**

Applies to Service Areas Other Than Union City, Tennessee

		BASE RATE	PURCHASED GAS ADJUSTMENT	TOTAL RATE
	RATE SCHEDULE 210 - RESIDENTIAL			
(-, -, -)	Customer Charge (May - September)	$22.80		$22.80
(-, -, -)	Customer Charge (October - April)	$24.80		$24.80
(-, R, R)	All Consumption	$0.1774	$0.4496	$0.6270
(-, -, -)	Minimum Bill (May - September)	$22.80		$22.80
(-, -, -)	Minimum Bill (October - April)	$24.80		$24.80
	RATE SCHEDULE 211 - HEATING AND COOLING SERVICE			
(-, -, -)	Customer Charge	$16.75		$16.75
(-, R, R)	All Consumption	$0.0872	$0.3070	$0.3942
(-, -, -)	Minimum Bill	$16.75		$16.75
	RATE SCHEDULE 220 - COMMERCIAL/INDUSTRIAL FIRM			
(-, -, -)	Customer Charge	$50.25		$50.25
(-, R, R)	All Consumption	$0.3609	$0.4496	$0.8105
(-, -, -)	Minimum Bill	$50.25		$50.25
	RATE SCHEDULE 221 - EXPERIMENTAL SCHOOL RATE			
(-, -, -)	Customer Charge	$50.25		$50.25
(-, R, R)	All Consumption	$0.1719	$0.2948	$0.4667
(-, -, -)	Minimum Bill	$50.25		$50.25
	RATE SCHEDULE 225 - PUBLIC HOUSING			
(-, -, -)	Customer Charge (May - September)	$22.80		$22.80
(-, -, -)	Customer Charge (October - April)	$24.80		$24.80
(-, R, R)	All Consumption	$0.1774	$0.4496	$0.6270
(-, -, -)	Minimum Bill (May - September)	$22.80		$22.80
(-, -, -)	Minimum Bill (October - April)	$24.80		$24.80

Issued **August 29, 2025** **Effective** **October 1, 2025**
Issued by: **Brannon Taylor, V. P. Rates and Regulatory Affairs**

Applies to Service Areas Other Than Union City, Tennessee

		BASE RATE	PURCHASED GAS ADJUSTMENT	TOTAL RATE
	RATE SCHEDULE 230 - LARGE COMMERCIAL/INDUSTRIAL FIRM			
(- , - , -)	Customer Charge	$505.00		$505.00
(- , R , R)	All Consumption	$0.3127	$0.4496	$0.7623
(- , - , -)	Minimum Bill	$505.00		$505.00
	RATE SCHEDULE 240 - DEMAND/COMMODITY			
(- , - , -)	Customer Charge	$505.00		$505.00
(- , - , -)	Demand Charge (per Ccf of			
(- , R , R)	Contract Demand)	$2.3022	$0.6826	$2.9848
	Consumption			
(- , R , R)	First 20,000 Ccf	$0.1751	$0.2948	$0.4699
(- , R , R)	Next 480,000 Ccf	$0.1159	$0.2948	$0.4107
(- , R , R)	Over 500,000 Ccf	$0.0537	$0.2948	$0.3485
(- , - , -)	Minimum Bill	$505.00	plus the Demand Charge	$505.00
	RATE SCHEDULE 250 - OPTIONAL SERVICE			
(- , - , -)	Customer Charge	$505.00		$505.00
	Consumption			
(- , R , R)	First 20,000 Ccf	$0.1751	$0.2948	$0.4699
(- , R , R)	Next 480,000 Ccf	$0.1159	$0.2948	$0.4107
(- , R , R)	Over 500,000 Ccf	$0.0537	$0.2948	$0.3485
(- , - , -)	Minimum Bill	$505.00		$505.00
	RATE SCHEDULE 260 - TRANSPORTATION			
(- , - , -)	Customer Charge	$505.00		$505.00
	Demand Charge (per Ccf of			
(- , R , R)	Contract Demand, if applicable)	$2.3022	$0.6826	$2.9848
	Consumption		(Margin of Normal Rate Schedule, plus or minus an adjusted PGA factor)	
(- , - , -)	Minimum Bill	$505.00	plus the Demand Charge	$505.00

Applies to Service Areas Other Than Union City, Tennessee

		BASE RATE	PURCHASED GAS ADJUSTMENT	TOTAL RATE
	RATE SCHEDULE 280 - ECONOMIC DEVELOPMENT			
	Customer Charge	(Equivalent to the companion tariff)		
	Demand Charge (per Ccf of			
(- , R , R)	Contract Demand, if applicable)	$2.3022	$0.6826	$2.9848
	Consumption	(A percentage of the Margin of Normal Rate Schedule, plus the PGA)		
	Minimum Bill	(Equivalent to the companion tariff plus the demand charge)		
	RATE SCHEDULE 291 - NEGOTIATED			
	Customer Charge	(Equivalent to the companion tariff)		
	Demand Charge (per Ccf of			
(- , R , R)	Contract Demand, if applicable)	$2.3022	$0.6826	$2.9848
	Consumption	Negotiated		
	Maximum Rate	Normally Applicable Rate Schedule		
	Minimum Rate	Commodity Cost plus $.01 per Ccf		
	Minimum Bill	(Equivalent to the companion tariff plus the demand charge)		
	RATE SCHEDULE 292 - COGENERATION, CNG, AND FUEL CELL			
(- , - , -)	Customer Charge	$50.25		$50.25
	Consumption			
(- , R , R)	First 20,000 Ccf	$0.1751	$0.2948	$0.4699
(- , R , R)	Next 480,000 Ccf	$0.1159	$0.2948	$0.4107
(- , R , R)	Over 500,000 Ccf	$0.0537	$0.2948	$0.3485
(- , - , -)	Minimum Bill	$50.25		$50.25
	RATE SCHEDULE 293 - LARGE TONNAGE AIR CONDITIONING			
(- , - , -)	Customer Charge	$50.25		$50.25
	Consumption			
(- , R , R)	First 20,000 Ccf	$0.1751	$0.2948	$0.4699
(- , R , R)	Next 480,000 Ccf	$0.1159	$0.2948	$0.4107
(- , R , R)	Over 500,000 Ccf	$0.0537	$0.2948	$0.3485
(- , - , -)	Minimum Bill	$50.25		$50.25

WEATHER NORMALIZATION ADJUSTMENT (WNA) RIDER

Provisions for Adjustment

The base rate per therm/Ccf (100,000 Btu) for Gas Service set forth in any Rate Schedules utilized by the Tennessee Public Utility Commission in determining normalized test period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all residential and commercial bills based on meters read during the revenue months of October through April. T

Definitions

For purpose of this Rider: T

"Regulatory Authority" means the Tennessee Public Utility Commission

"Relevant Rate Order" means the final order of the Regulatory Authority in the most recent litigated rate case of the Company fixing the rates of the Company or the most recent final order of the Regulatory Authority specifically prescribing or fixing the factors and procedures to be used in the application of this Rider.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment shall be computed to the nearest one-hundredth cent per therm/Ccf by the following formula:

$$WNA_i = R_i \frac{(HSF_i \quad (NDD\text{-}ADD) \quad)}{(BL_i \quad + \quad (HSF_i \times ADD)}$$

Where

i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification

WNA_i = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per therm/Ccf

R_i = weighted average base rate of temperature sensitive sales for the i^{th} schedule or classification utilized by the Tennessee Public Utility Commission in the Relevant Rate Order for the purpose of determining normalized test year revenues T

ATMOS ENERGY CORPORATION

Applies to Service Areas Other than Union City, Tennessee

WEATHER NORMALIZATION ADJUSTMENT (WNA) RIDER (Continued)

HSF_i = heat sensitive factor for the i^{th} schedule or classification utilized by the Regulatory Authority in the Relevant Rate Order for the purpose of determining normalized test year revenues

NDD = normal billing cycle heating degree days utilized by the Regulatory Authority in the Relevant Rate Order for the purpose of determining normalized test year revenues

ADD = actual billing cycle heating degree days

Bl_i = base load sales for the i^{th} schedule or classification utilized by the Regulatory Authority in the Relevant Rate Order for the purpose of determining normalized test year revenues

Filing with Regulatory Authority

The Company will file as directed by the Regulatory Authority (a) a copy of each computation of the Weather Normalization Adjustment, (b) a schedule showing the effective date of each such Weather Normalization Adjustment, and (c) a schedule showing the factors or values derived from the Relevant Rate Order used in calculating such Weather Normalization Adjustment.

Heat Use/Base Use Factor

	Residential/PA		Commercial/Small Industrial		
	Base use Ccf	Heat use Ccf/HDD	Base use Ccf	Heat use Ccf/HDD	
Town					
Union City	5.23	.152635	91.85	.543855	R, I, R, I
Columbia	11.40	.161954	124.90	.608646	R, I, R, I
Shelbyville					
Franklin					
Murfreesboro					
Maryville	8.11	.126655	110.67	.734436	I, I, I, I
Morristown					
Johnson City	7.67	.122539	112.16	.660128	R, I, R, I
Elizabethton					
Kingsport					
Greeneville					
Bristol					

SmartChoice Carbon Offset ("SCCO") Tariff Rider

1. PURPOSE:

This Rider provides Customers the option to fully or partially offset the carbon emissions associated with their natural gas usage through direct funding of the Company's purchase and retirement of Carbon Credits on their behalf.

2. AVAILIBILITY:

Participation in the SCCO program is voluntary and customers must enroll to participate. Participation in the SCCO program is available to all Customers that are current on their Atmos Energy bills. Residential Customers receiving LIHEAP funding are not eligible to participate in the SCCO. The SCCO is available to Rate Schedule 210, 211, 220, 221, 225, 230, 240, 250, 260, 280, 291, 292, 293, and 294 customer classes.

3. APPLICABILITY:

The rider is applicable to customers who voluntarily elect to offset their natural gas emissions with credits from qualifying Carbon Credit sources made available by Atmos Energy.*

4. DEFINITIONS:

4.1 "Ccf". One hundred cubic feet

4.2 "Target Offset". The percentage of a customer's natural gas usage for which Atmos will purchase and retire Carbon Credits. The monthly charge levels are based on an estimated Carbon Credit price and estimated administrative costs associated with this program. Monthly charges may be adjusted as set forth in Section 7 of this tariff.

4.3 "Participation". Customers wanting to enroll in the SCCO Program should call Atmos Energy customer service at 1.888.286.6700. Customers may also enroll online through the Atmos Energy Account Center at www.atmosenergy.com. Customers who elect to participate in the SCCO tariff will pay a monthly premium on their natural gas bill that will show up as a separate line item on their monthly bill. Participation in this pilot program will be available from the effective date of this sheet. Customers will be able to change their designated Target Offset Percentage or terminate their participation prospectively by providing timely notice to the Company by calling Atmos Energy customer service at 1.888.286.6700, or online through the Atmos Energy Account Center at www.atmosenergy.com.

5. RATE SCHEDULES

Residential Customers and Public Housing Authority: Residential Customers and Public Housing Authority (Rate Schedules 210, 211, and 225) may select a participation level from the table below.

Residential and Public Housing Authority Customers	
Target Offset Percentage	**Monthly Charge**
25%	$1.50
50%	$3.00
100%	$6.00

**** Please note: Carbon offsets will be achieved through the purchase of certified carbon credits.***

Commercial, Industrial and Transportation Customers: Non-Residential Customers (Rate Schedules 220, 221, 230, 240, 250, 260, 280, 291, 292, 293, 294) may select a volumetric rate participation level from the table below. Implementation of the Non-Residential SCCO program will begin on or about 60 days following the implementation of the Residential SCCO program.

Non-Residential Sales and Transportation Customers	
Target Offset Percentage	**Per Ccf Charge**
25%	$0.02700
50%	$0.05400
100%	$0.10800

6. ADMINISTRATIVE COSTS:

All administrative costs incurred by the Company as part of the SCCO Program will be tracked separately through a deferred account and will be recovered only from participating customers through the rates set forth in the SCCO Rider. SCCO Rider rates as approved above include a contribution toward administrative costs. Customers who are not enrolled in the SCCO program will not bear any additional costs associated with the SCCO program.

7. PURCHASED CARBON OFFSET ADJUSTMENT ("PCOA") FILING

The Company shall be required to file a PCOA reviewing the balance of revenues and costs under the SCCO Tariff at least once every 12 months. The PCOA will propose any prospective adjustment in rates under the SCCO. The Company may file a PCOA more frequently if warranted by changing Carbon Credit market conditions. The Company will provide notice on customers bills prior to any changes in the SCCO rates taking effect.

8. GENERAL

8.1 The Carbon Credit purchases pursuant to this tariff are provided on an interruptible basis. If interrupted, the Customer will be credited for amounts not purchased or retired on their behalf.

8.2 No late payment charge shall be assessed to amounts not paid timely by the Customer under this tariff.

8.3 Either the Customer or the Company may terminate the Customer's participation under this tariff by giving at least thirty (30) days prior written notice of such termination, with the exception as follows. The Company may terminate a Customer's participation under this tariff without prior notice when the Customer is 60 days or more past due on payment of amounts billed to them pursuant to this tariff, and/or upon disconnection of Gas Service to the Customer.

8.4 Failure of the Customer to pay any amounts due pursuant to this Rider shall not result in disconnection of Gas Service to the Customer.

GENERAL RULES AND REGULATIONS

1. Definitions

Except where the context specifically provides a different meaning or intent, the following terms, when used herein or in the Company's rate schedules incorporating these General Rules and Regulations, shall have the meanings defined below:

1.1 "Commission"
Tennessee Public Utility Commission.

1.2 "Company"
Atmos Energy Corporation.

1.3 "Customer"
Any individual, partnership, association, firm, public or private corporation or government agency or institution, or any other entity receiving, utilizing, or benefitting from the Company's Gas Service at any specific location. The term "Customer" synonymous with and includes any consumer and/or end user of the Gas Service provided by the Company.

1.4 "Gas Service"
The availability and provision of natural gas at the Company's Point of Delivery to Customer irrespective of whether any such gas is actually used.

1.5 "Point of Delivery"
The point of connection between the Company and the Customer where the gas supplied by the Company leaves the outlet side of the Company's meter and enters Customer's facilities.

1.6 "Cubic Foot of Gas"
The gas necessary to fill one cubic foot of space at a temperature of 60 degrees Fahrenheit and an absolute pressure of 14.65 pounds per square inch.

1.7 "Mcf", "Ccf", "Therm", and "Dekatherm"
"Mcf" is 1,000 cubic feet of gas; "Ccf" is 100 cubic feet of gas; as used herein "Therm" means a volume of gas containing a quantity of heat equal to 100,000 Btu; Dekatherm means a volume of gas containing a quantity of heat equal to 1,000,000 Btu.

1.8 "Prompt Payment"
Payment of a bill for Gas Service within fifteen (15) days following its date of issue.

T C C C T T D

GENERAL RULES AND REGULATIONS (Continued)

2. Customer Facilities and Responsibility

2.1. All pipelines, connections, equipment, and appliances, including methane and carbon monoxide detectors, on the Customer's side of the Point of Delivery shall be installed, operated, maintained, and repaired by and at the expense of the Customer. The Company shall be under no duty to inspect, repair, or maintain any pipes, connections, equipment, or locations located beyond the Point of Delivery nor shall the Company be under any duty to notify or advise the Customer of technology or technological advances associated with the piping, connections, equipment, and appliances, including methane and carbon monoxide detectors, on the Customer's side of the Point of Delivery. The Customer shall be solely responsible for such duties. The Company may observe the Customer's installation and may refuse to make connection or to commence or continue service whenever such installation is not in proper condition as determined by Company in its sole discretion. But no inspection or observation by the Company, nor any failure to object to the Customer's installation, shall render the Company in any way liable for any damage or injury resulting from any defective installation by the Customer. The Company shall not be liable for any loss, injury, or damage resulting from the Customer's use of the Customer's lines, connection, equipment, and appliances or the use of energy furnished by the Company beyond the Point of Delivery. The Customer shall so use their installation, equipment, and appliances as not to disturb the Company's service to other Customers. C

2.2. The Company will supply the Customer with gas through meters owned by the Company, and the Customer will use gas through the Company's meter only. Use of other metering devices or bypassing equipment and tampering or adjustments on Company-owned metering facilities by the Customer is prohibited. The Customer shall provide a suitable place for the meter satisfactory to the Company. Meters shall be located as close to the service entrance as practical. The Customer shall see that said meters are protected from damage or accident and will not permit any person other than the representative or agent of the Company to remove, inspect, maintain or tamper with same. C C

2.3. The Company shall have the opportunity to charge a customer for meter modifications should the modification result from an increase or reduction in the Customer's load or Customer's operating characteristics as determined by the Company in its sole discretion. C

2.4. The meter, meter connections, shut-off valve, service regulator, any required vents or relief valves and the service piping from the main to outlet side of the meter, and any extension thereof, including the installation of any facilities necessary or incidental to the furnishing of Gas Service to the Customer shall belong to the Company and be subject to removal only by the Company regardless of whether any charges for service piping were made to the Customer. C

GENERAL RULES AND REGULATIONS (Continued)

2.5. The Company and its authorized representatives and agents shall have access to the Customer's premises at all reasonable hours to inspect, read, test, repair or remove its meters and other property and equipment, or for such other purposes as the Company may deem necessary or advisable for the protection of the Company and its facilities and to observe the appliances installed on Customer's premises. In case of any willful, intentional, or unnecessary injury to or interference with the meter or any connection made to the Customer's facilities, a Customer's willful interference or refusal to cooperate with the Company's efforts to relocate its facilities due to an identified safety concern or other reason deemed appropriate by the Company or to install protective material or devices, or in the case of any intentional damager by Customer to Company facilities or installed protective material, the Company shall have the right to discontinue Gas Service to the premises, including by shutting off the service valve to the meter, disconnecting the service line form the main, and/or removing the Company's facilities from the premises. If, for any reason, the Company has shut off the supply of gas to a premise, the gas supply shall remain shut off until activated by a person authorized by the Company. C C

2.6. In the event of the escape of gas, Customer should leave the area immediately and from a safe distance immediately call 911 emergency services and notify the Company. The Company shall not be liable for any damage or loss caused by the escape of gas from the Customer's pipelines, connections, equipment, appliances, or other facilities or devices. C

2.7. The Company shall not be liable for any loss, cost, damage, or expense to the Customer or any parties, resulting from the use or presence of gas or gas appliances upon the Customer's premises. All risks after the gas has left the Point of Delivery shall be assumed by the Customer and their agents, servants, employees, or other persons. C C

2.8. The Customer shall not construct buildings over a gas service line and/or enclose gas metering equipment. In the event a Customer builds over a gas service line and/or encloses the gas meter, the cost of relocation will be paid by the Customer. T

2.9. The Customer shall make or procure satisfactory conveyance to the Company, without cost to the Company, right of way easement(s) across and upon the property owned and controlled by the Customer and any intervening property for the Company's lines, equipment, apparatus, and facilities as necessary or incidental to the furnishing of Gas Service to the Customer C

GENERAL RULES AND REGULATIONS (Continued)

3. Customer Credit and Deposits

3.1 Establishment of Credit

(a) Present Customers

If any present Customer has been delinquent in the payment of any two consecutive bills, or has been delinquent three or more times within the preceding twelve months, or if the Company has reason to believe that a Customer is a questionable credit risk, such Customer may be required to make a cash deposit or comparable arrangement in order to establish credit, as provided in Section 1220-4-5.14 of the Tennessee Public Utility Commission's Rules, regulations and Statutes governing Public Utilities. Copies of said Rules, Regulations and Statutes are available for inspection at Company's office during business hours. A Customer who has not paid a bill for service by the close of the first business day after fifteen (15) days following the date the bill is issued will be considered delinquent. T

Payment by the Customer of delinquent bills will not of itself relieve the Customer from the obligation of establishing credit with respect to the account involved or with respect to any other account for service of the same class which the Company may be providing to such Customer. T

(b) Applicants for Service

Before service is rendered, every applicant for initial or additional service, in addition to complying with all other applicable service regulations, may be required to establish credit. The applicant shall be notified promptly of this requirement to prevent any undue delay in the furnishing of Gas Service. T

Gas Service may be denied as long as the applicant owes the Company for Gas Service of the same class (residential or business) previously furnished at the same or another location. Any applicant who has not established credit, as provided in this service regulation, may be required, before Gas Service is established, to (1) pay the service connection charge, if any; and/or (2) make an advance payment T

GENERAL RULES AND REGULATIONS (Continued)

in an amount equal to an estimated periodic bill. An advance payment shall not relieve the applicant of the responsibility subsequently to fully establish credit.

T

3.2 Any Customer or applicant for Gas Service may establish credit by compliance with either of the following conditions:

(a) By furnishing credit references or information, which the Company, after prudent investigation, determines to be satisfactory for extending credit.

(b) By making a cash deposit or other comparable arrangement in accordance with the requirements of Section 3.3 of this service regulation.

3.3 Amount of Cash Deposit

(a) The amount of the cash deposit or other comparable arrangement which may be required of a Customer or applicant for the purpose of establishing credit in accordance with this service regulation, shall not exceed the estimated bill for the class of service involved for two consecutive billing periods or as may be reasonably required by the Company in cases involving service for short periods or special occasions. The determination of a present Customer's estimated bill (as distinguished from an applicant's) will be based upon prior or current use of the class of service involved.

(b) The amount of cash deposit or other comparable arrangement may be adjusted on the basis set forth in this section at the option of the Customer or the Company at any time when the character or degree of the Customer's use of the service has materially changed, or is expected to change.

3.4 Conditions Under Which Deposits Are to be Applied or Refunded

Residential Customer Deposits

Each month the Company shall review its deposit accounts and shall refund, or credit to existing bills, deposits completely with accrued interest to Customer's whose deposits have been held for two (2) years unless the Customer's payment record indicated: (1) two consecutive 30-day arrears; or (2) three or more non-consecutive 30-day arrears; or (3) one or more disconnections for non-payment or fraudulent use during the 24 month period.

GENERAL RULES AND REGULATIONS (Continued)

The Company shall promptly refund or credit the deposit, with interest as provided in this service regulation, and may require the surrender of the Customer's receipt of certificate of deposit properly endorsed, or the delivery of a cancellation receipt for such deposit, whenever:

(a) The Customer establishes credit by other means; or

(b) Gas Service is discontinued and the bills therefore are paid in full; or T

(c) Gas Service is discontinued and there are charges due (including construction charges related to main extensions) to the Company for service to the Customer, in which case the cash deposit plus any accrued interest will be applied to the payment of such charges, and the balance remaining of the deposit and interest, if any, will be returned to the Customer. When the deposit is applied to the liquidation of unpaid bills, the Company will mail or deliver to the Customer a statement showing the amount of the original deposit, including accrued interest if any, the amount of the unpaid bills liquidated by the deposit; and the balance remaining due either to the Customer or to the Company. T

In either case, and in any event, if there is a balance due the Customer when service is discontinued, it shall then be promptly and automatically refunded to the Customer.

Commercial/Industrial Customer Deposits

Commercial and Industrial Customer deposits and applicable interest, less any amounts owing to the Company by the Customer, will be refunded by the Company when the Customer's account is closed. T

3.5 Interest to be Accrued on Deposits

Interest on deposits shall be paid on a per annum rate equal to the prime bank lending rate plus one percentage point as published in The Wall Street Journal for the last business day of the preceding calendar year, compounded annually. In no case will interest be accrued for a period extending beyond the date of refund or the date service is terminated, whichever date is earlier. No interest will be paid on deposits held for a period of less than six (6) months.

3.6 Payment of Interest Accruals

Interest accruing on cash deposits will be computed and prompt settlement made:

(a) By paying the amount of interest accrued on the demand of the Customer, but not more often than once in any 12 month period; or

GENERAL RULES AND REGULATIONS (Continued)

(b) By adding the amount of interest accrued to the deposit, upon the return of such deposit to the Customer or upon its application to the liquidation of unpaid charges as provided in this service regulation.

3.7 Issuance of Receipt or Certificate of Deposit

At the time the Company receives a cash deposit from a Customer in accordance with this service regulation, it will issue, and deliver to such Customer, a receipt or certificate of deposit showing thereon (1) the date thereof, (2) the name of the Customer, (3) the address of the premises served or to be served, and (4) the amount of the deposit.

4.0 Billing

4.1 Bills will be rendered at intervals of approximately 30 days, according to billing cycles established at the Company's discretion. If the Customer's meter fails to register or a reading of such meter cannot be obtained, a bill will be rendered based upon a reasonable estimate of the gas consumed by the Customer.

4.2 Bills for Gas Service furnished to the Customer by the Company are due and payable on the date rendered. If a bill is not paid within the maximum period prescribed by the rate schedule, it shall be considered delinquent and the additional charge authorized by the rate schedule shall become payable. T

4.3 The Company will not render an estimated bill to a Customer except for good cause, as determined by the Company, where the meter could not be read or was improperly registering. C

Under ordinary circumstances, no more than one estimated bill shall be rendered during any sixty (60) day period, provided that reasonable access to the meter shall have been granted by the Customer and provided further that in the absence of such reasonable access the Company shall have the right to discontinue Gas Service for the Customer as outlined in Regulation No. 5. T

GENERAL RULES AND REGULATIONS (Continued)

4.4 The Company has a Budget Plan available for the convenience of its Customers. The plan is designed to equalize payment for Gas Service over a period of twelve months. The plan is especially helpful to Customers who have difficulty paying high cold weather bills or customers on a fixed income. The Budget Payment Plan amount will be the average of the previous monthly billings (in dollars) not to exceed twelve months. The monthly payment amount will be updated to reflect the most recent history. Customers may elect to enter the plan at any time during the year. T T

To be accepted as a budget customer, the account balance must be paid in total before the Customer is put on the Budget Payment Plan. It is understood that this Budget Payment Plan will continue until the Customer notifies the Company in writing or by telephone to discontinue the plan or the Customer defaults, in whole or in part, in the payment of such plan. T C

The following is the formula used to calculate a customer's Budget Payment Plan amount:

$$BPPA = \frac{R}{M}$$

BPPA = Budget Payment Plan Amount

R = Sum of Dollars Billed (not to exceed 12 months)

M = Number of Months Billed (not to exceed 12 months)

GENERAL RULES AND REGULATIONS (Continued)

5. Discontinuance and Restoration of Service

5.1 The Company may discontinue or refuse to establish or restore Gas Service for any of the reasons listed below. However, unless provided otherwise below, Gas Service shall not be discontinued unless a reasonable prior notice is provided to a Customer and discontinuance shall not occur on a day or a date preceding a day or days on which the Company is not open for business and available to reconnect the discontinued Gas Service as provided herein. T T

(a) Without notice in the event of a condition determined by the Company to be hazardous or otherwise potentially unsafe. C

(b) Without notice in the event of Customer's use of equipment in such as manner as to adversely affect the Company's equipment or its Gas Service to Customer or others. T

(c) Without notice if there is evidence of tampering with the equipment furnished and owned by the Company.

(d) Without notice if there is evidence of unauthorized use.

(e) Without notice if the Customer fails to comply with a curtailment order. C

(f) For violation of and/or non-compliance with the Company's rules on file with and approved by the Tennessee Public Utility Commission. T

(g) For failure of the Customer to fulfill these obligations for Gas Service and/or facilities subject to regulations by the Tennessee Public Utility Commission. T

(h) For failure of the Customer to permit the Company reasonable access to its equipment as determined by the Company. C

(i) For the Customer's non-payment of delinquent account. T

(j) For failure of the Customer to provide the Company with a deposit.

(k) If the Company has reasonable evidence that there is or may be a danger from the Customer or any occupant and/or invitee on the Customer's premise to Company personnel or agents who might be called to said premises in the course of their duties with the Company, including, but not limited to, any direct or implied threats against the Company or its personnel or agents from said Customer or occupant or invitee. C

5.2 Discontinuance at Customer's Request

When a Customer desires to terminate Gas Service, such Customer shall notify the Company not less than three (3) days in advance, or such period in advance as is specified in the Customer's contract, and state the date on which such Customer wishes to be terminated. A Customer may be held responsible for all Gas Service furnished at the premises until the date of termination specified in the notice, or a date three (3) days beyond the date of such notice, or such greater number of days after notice as are specified in a contract, whichever date is later. Restoration of service following temporary termination of service at Customer's request will be made upon payment by Customer of the applicable reconnection or activation charge as provided herein. T T

GENERAL RULES AND REGULATIONS (Continued)

5.3 Activation Charge

Gas Service, which is discontinued by the Company, or at the Customer's request, may be restored upon payment by customer of all indebtedness in full for Gas Service and an activation charge which shall be $40 for activation during normal business hours. (Additional charges may apply if after-hours service is requested and performed). This activation charge will apply to all meter turn-ons at existing locations and all reconnections of Gas Service and shall apply to all rate schedules. T T

5.4 Limitations on Discontinuance

Unless provided otherwise herein, Gas Service to any Customer will not be terminated without reasonable prior notice and the Customer being given reasonable opportunity to dispute the reasons for such termination. T

(a) Prior reasonable notice will be sent to a Customer informing of the date of any proposed termination of Gas Service unless such Customer takes appropriate action. The date of the proposed termination shall be at least seven (7) days after the Company sends the notice by first class mail. T

(b) The Company shall postpone the physical termination of Gas Service to a residential Customer for a period of thirty (30) days in the event a physician, public health officer, or social service official certifies in writing that discontinuation of service will aggravate an existing medical emergency of the Customer or other permanent resident of the premises where service is rendered. The Company shall refer the Customer or other permanent resident of the premises to social service agencies for investigation, confirmation of need and guarantee of payment. The Company shall supply Customers with names of agencies providing assistance. T

(c) The Company can allow the transfer of active Gas Service from one party to another at the location over a period of time with no actual disconnection or interruption of service, otherwise known as "Soft Close." T

(d) Each Customer shall be given the option to designate a third party who will receive a duplicate of any termination notice sent by the Company.

GENERAL RULES AND REGULATIONS (Continued)

(e) The Company shall provide all Customers annually and all new Customers when they initiate service, a copy of its termination and reinstatement policies including procedures of complaints and disputes together with the alternative of appeal to the Tennessee Public Utility Commission and its representatives who are available to handle complaints and inquiries. Customers will be notified they do not have to pay that portion of a bill which is in dispute while the dispute process is underway. T

5.5 Fraudulent Activity C

(a) It shall be unlawful for any person to obtain or attempt to obtain by use of any fraudulent scheme, device, means or method Gas Service, with the intent to avoid payment of the lawful price, charge or toll therefor, or for any person to cause another to avoid such payment for Gas Service, or for any person to assist another in avoid payment for Gas Service, either through the making of multiple applications for Gas Service at one address or otherwise

5.6 Services Rendered C

(a) Termination of Gas Service by either the Customer or the Company shall not relieve the Customer form the obligation to pay the Company for services rendered prior to the effective date of such termination.

6. Test of Metering Equipment at Customer's Request

Upon receipt of written request from the Customer to do so, the Company will make a test as to the accuracy of the metering equipment, subject to the following conditions:

(a) If requested, tests will be made in the presence of the Customer according to methods prescribed by the Tennessee Public Utility Commission and witnessed by a representative of that Commission. T

(b) If on test the meter is within two percent (2%) of accurate, then the cost of $75.00 the test shall be paid by the Customer. If on test the meter is inaccurate by more than two percent (2%) then the test shall be without cost to the Customer.

(c) If a meter so tested is found to be more than two percent (2%) in error, either fast or slow, Company shall recompute Customer's monthly bills by using the corrected volumes of gas delivered for the period that meter was in error, but for not more than six months. The appropriate adjustment, either credit or debit, shall be made in Customer's account based on such corrected volumes.

6.1 Responsibility for consumption; security of facilities

(a) Loss of gas leakage from Customer's installation shall be considered to be consumption by the Customer.

GENERAL RULES AND REGULATIONS (Continued)

(b) In the event of stoppage or failure of any meter to register properly, Customer will be billed for such period on an estimated consumption based upon their use of gas in a similar period of like use or on the basis of check meter readings, if available and accurate, but such adjustment shall not be made for more than six months. T

(c) In the event of tampering or unauthorized use of Company's facilities, the probable gas consumption shall be estimated by Company and billed to Customer. If the duration of such tampering or unauthorized use is not known, it shall be conclusively presumed to be since the commencement of Customer's service but for a period of not more than six months.

(d) All property of Company installed in or upon premises of, or occupied by Customer is under Customer's protection. All reasonable care shall be exercised by Customer to prevent loss of or damage to such Company property, ordinary wear and tear excepted. Customer will be liable for any loss of property or damage thereto and shall pay to Company the cost of appropriate repairs or replacements for such loss of or damage to the Company's property as determined by the Company. The Company may terminate or refuse Gas Service if the Customer has damaged or tampered with the Company's equipment or facilities, including but not limited to the tampering with any lock on a meter. T C

7. Extension and Installation of Company Facilities

The Company will, upon written application, install gas mains, service lines, and meters to serve bona fide applicants of a permanent and established character in accordance with the following provisions of these Service Regulation. Gas main extensions shall be made only along public streets, roads or highways and upon private property across which satisfactory rights of way or easements have been provided without cost to the Company. All gas mains, service lines, meters, and appurtenances constructed pursuant to this Service Regulation shall be owned, operated, and maintained by the Company. T C

7.1 Main Extensions

Any extension from existing mains to the point of connection with Customer's service line, whether on public property or on private property, is considered to be an extension of a main. Any extension, from existing mains or from an extension of a main as defined above, to Customer's property for service to Customer shall be considered a part of the service line to service such Customer.

GENERAL RULES AND REGULATIONS (Continued)

The Company will install all mains necessary to serve the Customer(s) free of charge, provided the revenue expected to be realized produces a rate of return on the investment that is equal to or greater than the minimum allowed rate of return on equity approved in the Company's most recent rate case. This rate of return analysis will be based on a feasibility study performed by the Company. This study will include consideration of all costs needed to provide service (materials, Company and/ or contract labor, overheads, and applicable taxes). These costs will be compared to the revenue that is either contracted for or can be reasonably expected to be generated by the Customers served by the extension. T T

Should this analysis result in a rate of return (ROE) less than the minimum allowed rate of return approved in the Company's most recent rate case, then the Customer(s) may be required to remit to the Company an Aid-in-Construction (AIC), including any applicable taxes, to make up the difference in the actual and allowable rate of return. T

General

1. The Company may, at its sole discretion, choose to waive payment for AIC when system improvements are realized by the extension or when the extension would enhance the opportunity of adding new Customers in the future. T

2. Individual Customers may elect to spread the payment of any required AIC up to, but not to exceed, a three year period at no interest provided that the Customer shall enter into a "Main Extension Contract" and also subject to the following conditions: T

   a. The Company shall approve the Customer's credit prior to the signing of the "Main Extension Contract".

   b. Default by the Customer under the terms of the "Main Extension Contract," whether in whole or in part, may result in discontinuance of Gas Service as per the current provisions of Section 5 of these General Rules and Regulations. T

   c. If a Customer cancels service prior to payment of the total AIC required, the unpaid balance shall become due and payable immediately. The Company may use any deposit or credit owed to the Customer to offset the balance due under the "Main Extension Contract".

   d. In no case will the Company build without cost to the applicant and/or Customer, as applicable, more service line than is necessary to reach the acceptable meter location by the most economical route. T

GENERAL RULES AND REGULATIONS (Continued)

7.2 Extensions Beyond the allowance calculated in the feasibility analysis - Residential and Commercial

1. Upon completion of a Main Extension Contract the Company will extend its mains to a Customer provided the Customer deposits any AIC which may be due as determined in Section 7.1. T

2. As additional Customers are served through a service line connected directly to the specifically involved main extension within five (5) years of its completion date, the original Customer(s) shall be refunded an amount determined as follows:

   a. The contract with the original Customer(s) shall set forth the estimated cost per foot for a normal 2 inch polyethylene main extension.

   b. The Company will estimate the annual gas consumption (Mcf) of each new Customer added to the main extension.

   c. The refund shall be determined by the following formula:

      Refund = the estimated cost per foot from (a) times the estimated annual gas consumption (Mcf) for the new Customer.

   d. The refund to the original Customer(s) shall not exceed the amount of the original construction charge deposited with the Company.

   e. No interest shall be paid on the AIC made by the Customer. T

   f. The refund(s) due, if any, to the original Customer(s) will be calculated and paid on June 1st of every year. Refunds will not be made any other time.

   g. If the Company has allowed the Customer to pay the AIC over a period of time in accordance with Section 7.2(3), above, all refunds attributable to the connecting of new Customers to the specifically involved main extension will be credited to any outstanding balance owed for the extension. T

GENERAL RULES AND REGULATIONS (Continued)

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3. In addition to all other of these Service Regulations the following shall also apply to Mobile Home Parks:

   a. For the purpose of these regulations, a Mobile Home Park is defined as any tract or parcel of land used primarily to provide sites for the parking and occupancy of Mobile Homes. A Mobile Home is defined as a portable structure built so as to be readily transportable from one location to another, and which is usable as a dwelling for one or more persons, herein referred to as Mobile Home Occupants. Any person, firm or corporation who operates a Mobile Home Park as a commercial venture shall be referred to as a Mobile Home Park Owner.

GENERAL RULES AND REGULATIONS (Continued)

b) Any Mobile Home Park Owner desiring Gas Service within a Mobile Home Park shall enter into a contract with the Company for a minimum period of five (5) years for service from Company's distribution mains to a specified number of Mobile Home sites. Mobile Home Park Owner agrees to pay the Company each month, commencing with a date specified in the contract and each month thereafter for the term of the contract, an amount specified as the customer charge under the provisions of Company's Residential Rate Schedule 210, as filed with the Tennessee Public Utility Commission, for 70% of the number of specified Mobile Home sites less the number of sites occupied by Mobile Home Occupants who were customers of, and who were billed for Gas Service by, the Company during such month. T T

c) After execution of a contract for Gas Service to a Mobile Home Park, the Company will construct the required extension of distribution facilities to serve the number of sites specified in the contract provided that the total free length allowance for mains and services shall be calculated as per the provisions of Paragraph No. 7. For mains and services exceeding the free length allowance the Mobile Home Park Owner will be required to deposit a Refundable Advance as per the provisions of Paragraph No. 7. T

GENERAL RULES AND REGULATIONS (Continued)

7.3 Meters and Service

1. Upon written application, Company will install necessary meter connections and meter without charge subject to the provisions of Service Regulation No. 2.

2. New service piping, up to and including a size 3/4 inch in diameter, will be installed by the Company free of charge for residential and for commercial Customers whose annual consumption is 500 Mcf or less, from its distribution main to the private property line of the applicant or other private property line through which the service shall be constructed, and for an additional length, from such property line to the meter location, determined in accordance with Service Regulation No. 2, as is determined by the allowance per Customer for each major use of gas appliances and equipment specified below and on an individual feasibility basis considering the required investment, character, and economic life of the load, and other appropriate information: C

Residential and Commercial Service	Allowance
Gas Space Heating Equipment	60 feet
Automatic Gas Water Heater and/or Gas Range	40 feet

Residential and commercial Customers whose annual consumption is estimated by the Company to be over 100 Mcf and less than 500 Mcf for commercial customers, the free length will equal one foot per Mcf of estimated total gas consumption. T

This free service piping allowance will not apply for temporary service.

3. For each industrial Customer and commercial Customer whose annual consumption is over 500 Mcf, the free length of service, if any, will be determined on an individual feasibility basis considering the required investment, character, and economic life of the load, and other appropriate information. T

4. For service piping in excess of the portion installed at Company expense pursuant to paragraph (2) above, the Customer will be charged for such excess footage, based on the average cost to the Company, for installing service piping the preceding calendar year. The rate per linear foot of service will be the average cost incurred during the preceding calendar year for installing such service pipe. Any charges for installing excess service piping are payable in advance. For excess service piping pursuant to paragraph (2) above, the Customer will be charged for the actual cost of such excess service piping. T

5. Upon request from the Customer, the Company will provide the following services without charge:
   (i) Leak Investigation
   (ii) Burner or Pilot Light adjustment (during normal working hours)

GENERAL RULES AND REGULATIONS (Continued)

8. Curtailment of Gas Service

Service will be curtailed in accordance with the order of priorities set forth below, beginning with optional service 1 a. and descending as required.

1. All Optional Service (Rate Schedule 250)
2. Large Commercial/Industrial Firm Customers, Demand Customers, Cogeneration Customers (Rate Schedules 230/240/292)
3. Commercial/Industrial Firm Customers (Rate Schedule 220)
4. Public Schools and Hospitals on Firm Service
5. Public Housing Authorities and Residential Customers

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Notwithstanding the provisions of this paragraph, the Company shall not be liable for any damages that may result to Customers or any other persons, firm or corporation by reason of the Company's limiting annual, monthly, or peak day volumes or by curtailing service in accordance with the above order of priorities which may be deemed practicable or necessary under existing conditions as determined by the Company in its sole discretion. Company will make every reasonable effort to deliver plant protection volumes to firm industrial customers sufficient to prevent damage to facilities or danger to personnel. This includes the protection of such material in process as would otherwise be destroyed, but does not include deliveries required to maintain plant protection.

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GENERAL RULES AND REGULATIONS (Continued)

9. Other Conditions of Service

9.1 The Company shall endeavor to furnish continuous service to the Customer but does not guarantee uninterrupted service. Further, the Company shall not be liable for loss or damage resulting from interruptions or deficiencies in service occasioned by any cause except willful default or neglect on its part.

9.2 Gas purchased from the Company shall be used by the Customer at one location and shall not be resold. The term "one location" as used herein, shall include separate buildings only if such separate buildings are immediately adjacent and not separated by either private or public right-of-way.

9.3 The Company will determine the adjustment, if any, to be made for wastage of gas occurring without knowledge to the Customer, on the basis of the circumstances involved in each specific instance.

9.4 Additional Load

Meters and equipment supplied by the Company for each Customer have definite capacities and no major addition to the equipment or load connected hereto shall be made except by consent of the Company. Failure to give notice of additions or changes in load, and to obtain Company's consent for same, shall render the Customer liable for any damage to any of Company's lines or equipment caused by the additional load or changed installation.

9.5 The Customer agrees to notify the Company of any material changes in his installation or load conditions. Upon such notification, the Company will assist in determining if a change in rates is desirable. Unless required by substantial changes in the Customer's installation, not more than one change in rates will be made within any twelve month period.

9.6 The Customer agrees to notify the Company in advance of any planned change in the physical premise or environment around any Company-owned facilities to determine the impact on those facilities. C

9.7 The Customer agrees to indemnify and save harmless the Company from any and all liability to anyone whatsoever for damages and expenses (including reasonable attorney's fees), or related to claims, actions, or lawsuits (including, but not limited to, those seeking recovery for death or injury, or damage to property) related in any way (whether directly or indirectly or to any degree) to, or on account of, any condition after the Point of Delivery or on the Customer's premises, including where injury or damage is shown to have been occasioned solely by the ordinary negligence of the Company. The Customer's duty to indemnify the Company does not apply where injury or damage is shown to have been occasioned solely by the gross negligence or willful conduct of the Company. C

9.8 The Customer agrees to be responsible for all damages to, or loss of, the Company's property located upon the Customer's premises, unless occasioned by fire or by the Company's negligence or willful conduct. C

9.9 The Company shall not be liable for any and all claims or allegations of liability for personal injury, property damage, or any incidental or consequential, business interruption, or other damages or losses in any matter directly or indirectly connected to, arising from, or caused by actions or omission of any person or party on the Customer's side of the Point of Delivery. C

9.10 In the event the Company is unable, wholly or in part, by reason of force majeure to carry out its obligations to provide Gas Service, the obligations of the Company so far as they are affected by force majeure, shall be suspended during the continuance of any inability so caused but for no longer period, and such cause shall as far as possible be remedied with all reasonable dispatch. The term "force majeure" as employed shall mean acts of God; extreme weather conditions; strikes, lockouts, or other industrial disturbances; acts of the public enemy; war; blockades; insurrections; riots; epidemics; pandemics; landslides; lightning; earthquakes; fires; storms; floods; washouts; arrests and restraint of governments and people; civil disturbances; explosions; breakage of or accidents to machinery, lines of pipe, or the Company's peak shaving plants; freezing of wells or lines or reduction in gas pressure by its suppliers; inability to obtain rights-of-way, permits, materials, equipment, or supplies for use in the Company's peak shaving plants; and any other causes whether of the kind herein enumerated or otherwise, not within the control of the Company, and which, by the exercise of due diligence, the Company is unable to prevent or overcome. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the Company, and the above requirement that any force majeure shall be remedies with all reasonable dispatch shall not require the settlement of strikes or lockouts when such course is inadvisable in the discretion of the Company. C

GENERAL RULES AND REGULATIONS (Continued)

10. Franchise Tax

10.1 The Company shall collect, by an addition to customer's bills, any franchise tax levies by the governing body of the Company's particular service territories.

10.2 The following franchise tax rates, and as amended from time to time, shall apply. Unless otherwise stated, the franchise tax shall be based upon gross revenues within the city limits.

City	Tax Rate
Alcoa	5.0%
$.005/Ccf for Transportation only customers	
Blount County	5.0%
$.005/Ccf for Transportation only customers	
Bristol	6.0%
Columbia	5.0%
Elizabethton	5.0%
Franklin	
$.0075/Ccf for Transportation only customers	
$ 0.060/Ccf for Sales only customers	
Greeneville	3.0%
Johnson City	3.0%
Maryville	5.0%
$.005/Ccf for Transportation only customers	
Morristown	5.0%
Murfreesboro	5.0%
$.017 cents per 100 cubic feet of gas transported	
Nolensville	3.0%
Shelbyville	
Annual Inspection Fee of $2,000 ($166.67 / month)*	
Smyrna	3.0%
Spring Hill	
$.005/Ccf for Transportation only customers	
$.0375/Ccf for Sales only customers	
Thompson's Station	0.0%**
Union City	5.0%
Williamson County	5.0%

*Inspection Fee is included in Atmos' fixed costs, which are collected from customers through base rates.
**Franchise went into effect January 17, 2017. Five year initial fee of 0.0%. First five year renewal fee at 2.0%, second five year renewal fee at 3.5% and third five year renewal fee at 5.0%.