

NOTICE OF PUBLIC HEARING AND COMMENT PERIOD CONCERNING NATURAL GAS SERVICE RATE INCREASE REQUEST

Atmos Energy (Atmos) filed an application with the Kansas Corporation Commission (Commission) requesting an annual increase in rates for natural gas service of \$6.6 million or approximately 11.4 percent. The requested increase would only affect the portions of a customer's bill that relate to the delivery of gas by Atmos to customers, including the fixed monthly Facility Charge and per hundred cubic feet (Ccf) Commodity Charge.

If approved, the average monthly bill for residential customers will increase approximately \$3.78 per month, which is a 13.2% increase. This includes a request to increase the monthly Facility Charge from \$18.19 per month to \$21.97 per month, plus a \$0.62 surcharge for a period of one year when rates go into effect to recover rate case expense. No change in the Commodity Charge of \$0.14860 per Ccf for residential customers is proposed. For commercial customers, Atmos requests a \$9.74 increase in the Facility Charge from \$40.88 per month to \$50.62 per month, plus a \$0.62 surcharge for a period of one year when rates go into effect to recover rate case expense and no change in the Commodity Charge of \$.14860 per Ccf. If approved, the average monthly bill for commercial customers will increase by 11.9%.

THE ROLE OF THE CORPORATION COMMISSION

The Commission regulates public utilities including home telephone, natural gas, electric and water companies, as well as motor carriers, oil and gas pipeline, and oil and gas producers. The Commission's regulatory oversight of public utilities primarily pertains to rates and terms of service. In order to ensure that customers of regulated utilities are provided sufficient and efficient service at just and reasonable rates, utilities may not change their rates without Commission approval.

PUBLIC HEARING

The Commission welcomes and encourages public input on utility rate cases. A public hearing has been scheduled to provide Atmos customers the opportunity to ask questions and make comments about the proposal.

The public hearing is scheduled for:

Tuesday, December 1, 2015, at 6:00 p.m.
KU Edwards Campus – Best Conference Center
12604 Quivira Road
Overland Park, Kansas

Those unable to attend in person can watch the hearing live from the KCC website: www.kcc.ks.gov. In the event of technical difficulty or for those unable to watch live, a recording of the hearing will be available on the KCC website beginning December 4, 2015. Closed captioning is available.

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

PUBLIC COMMENTS

The Commission will accept comments from Atmos customers through 5:00 p.m. CST, January 26, 2016. There are three convenient ways to submit a comment:

- 1) Go to the KCC website: www.kcc.ks.gov to enter your comment. Click on the link under *Your Opinion Matters*.
- 2) Send a written letter to the Kansas Corporation Commission, Office of Public Affairs and Consumer Protection, 1500 SW Arrowhead Road, Topeka, KS 66604-4027. Be sure to reference Docket No. 16-ATMG-079-RTS.
- 3) Call the Commission's Public Affairs office at 1-800-662-0027 or (785) 271-3140.

Public Comments received during the comment period will be entered into the official case record and posted on the website at the end of the comment period.

EVIDENTIARY HEARING

The Commission will conduct an evidentiary hearing on the Atmos rate increase request beginning February 2, 2016, at 9:00 a.m. in the first floor hearing room at its Topeka office, 1500 SW Arrowhead Road, Topeka, Kansas. The Commission must issue a decision by April 11, 2016.

MORE ABOUT ATMOS ENERGY'S PROPOSAL

In its application, Atmos said the increase was necessary because the company has continued to make investments in its system to provide safe, reliable and efficient natural gas service to its customers. The company further stated it has experienced increases in wages, medical expenses and supplier costs.

In addition to the rate increase, Atmos is seeking approval to establish an Annual Review Mechanism ("ARM"), a formula rate mechanism that would provide an annual review and adjustment of the utility's cost of operations and rates on an annual basis.

Atmos is also requesting approval of a System Integrity Program Tariff which would allow the utility to accelerate its progress in the replacement of obsolete materials in the Kansas system and provide for quarterly updates to rates for approved completed projects.

Atmos' last rate increase of \$4.3 million was approved on September 4, 2014.

Atmos' corporate office is located in Dallas, Texas. It is one of the largest pure natural gas distribution companies in the United States, supplying natural gas service to over three million customers in eight states. In Kansas, Atmos provides natural gas service to approximately 129,000 customers.

ADDITIONAL INFORMATION

A complete copy of Atmos' application and supporting testimony is available on the Commission's website at <http://kcc.ks.gov>, searching Docket Filings for Docket No. 16-ATMG-079-RTS. If you need additional assistance or more information about the requested rate increase or the public hearing, contact the Commission's Office of Public Affairs and Consumer Protection at 1-800-662-0027, or public.affairs@kcc.ks.gov.