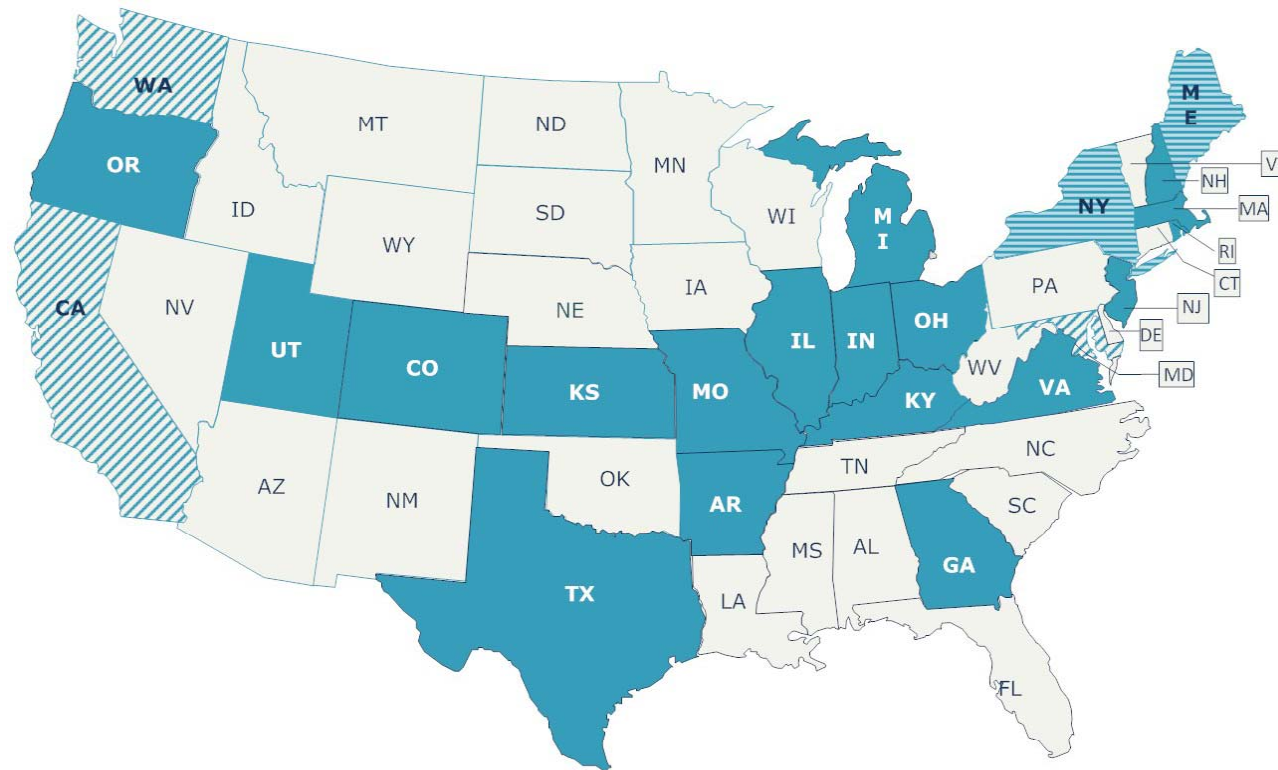


Gas Utility Infrastructure Renewal Programs

**Innovative Ratemaking Approaches
January 9, 2012**

States with Infrastructure Investment Trackers



-  States with Full Infrastructure Cost Recovery Mechanisms (18)
-  States with Limited Infrastructure Cost Recovery Mechanisms (2)
-  States with Pending Infrastructure Cost Recovery Mechanisms (3)

Infrastructure Cost Recovery Mechanisms as of December 2011

20 Million Residential Customers - Of 65 Million Customers in U.S.

FULL - 18 States

1. AR – CenterPoint Energy
2. CO – Public Service Co. of Colorado
3. GA – Atlanta Gas Light
4. GA – Atmos Energy
5. IL – Integrys Peoples Gas
6. IN – Vectren North Indiana Gas
7. IN – Vectren South SIGECO
8. KS – Atmos Energy
9. KS – Black Hills
10. KS – Kansas Gas Service
11. KY – Atmos Energy
12. KY – Columbia Kentucky
13. KY – Delta Natural Gas
14. KY – Duke Energy Kentucky
15. MA – Columbia Massachusetts
16. MA – National Grid Massachusetts
17. MA – New England Gas
18. MI – SEMCO Energy
19. MO – Ameren Missouri
20. MO – Atmos Energy
21. MO – Laclede Gas
22. MO – Missouri Gas Energy
23. NH – National Grid EnergyNorth
24. NJ – New Jersey Natural
25. NJ – Elizabethtown Gas
26. NJ – Public Service Electric and Gas
27. NJ – South Jersey Gas
28. OH – Columbia Ohio
29. OH – Dominion East Ohio
30. OH – Duke Energy
31. OH – Vectren Ohio
32. OR – Avista Corp.
33. OR – NW Natural
34. RI – National Grid Narragansett Gas
35. TX – Atmos Energy
36. TX – CenterPoint Energy
37. TX – Texas Gas Service
38. TX – All Natural Gas Utilities May Apply
39. UT – Questar Gas
40. VA – Columbia Virginia
41. VA – Washington Gas
42. VA – All Natural Gas Utilities May Apply

Infrastructure Cost Recovery Mechanisms as of December 2011

Limited and Pending

LIMITED - 2 States

1. ME – Northern Utilities
2. NY – Corning Natural Gas
3. NY – National Grid NYC
4. NY – National Grid Long Island
5. NY – National Grid Niagara Mohawk


2 Million Residential Customers

PENDING – 3 Additional States

1. CA – Southern California Gas
2. CA – San Diego Gas and Electric
3. MD – Washington Gas
4. NH – Northern Utilities
5. WA – Puget Sound Energy

7 Million Residential Customers

Recovery of Infrastructure Renewal Investments

- **Infrastructure Investment Trackers**
 - Typically affords annual review
 - Review only qualified capital investments
 - **Rate Stabilization/Review Mechanisms**
 - Typically affords annual review
 - Streamlines review of ratemaking adjustments
 - Investment recovery is lagged only one year
 - **Comprehensive Rate Cases**
 - Occurs only periodically
 - Comprehensive review and litigation of revenues, expenses, rate base, return . . .
 - Investment recovery is lagged, potentially several years
- 

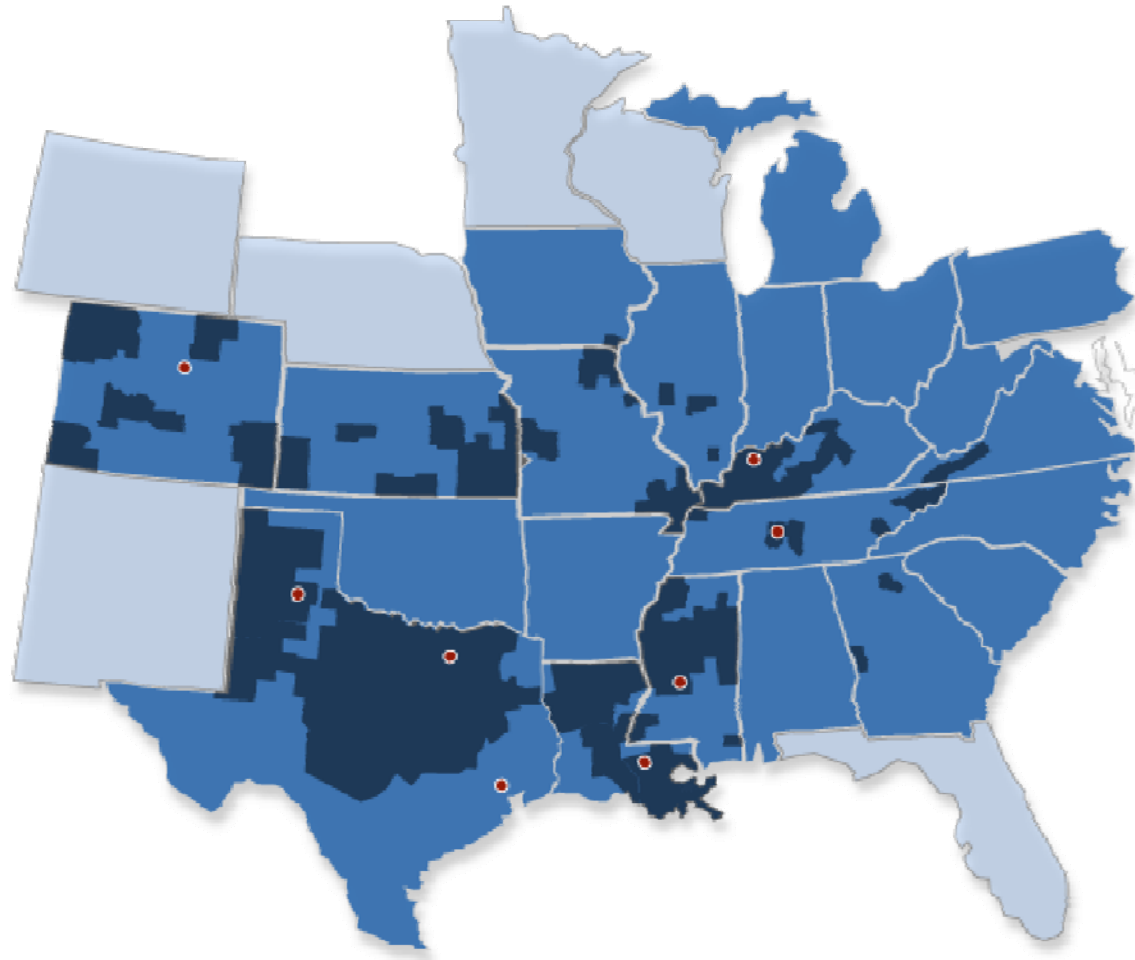
Rate Stabilization Tariffs as of December 2011

*Approved – 14 Companies, 7 States, 6 Million Res. Customers**

1. AL – Alabama Gas
2. AL – Mobile Gas
3. GA – Atmos Energy
4. LA – Atmos Energy
5. LA – CenterPoint Energy
6. LA – Entergy
7. MS – Atmos Energy
8. MS – CenterPoint Energy
9. OK – CenterPoint Energy
10. OK – Oklahoma Natural Gas
11. SC – Piedmont Natural Gas
12. SC – South Carolina Electric and Gas
13. TX – CenterPoint Energy
14. TX – Atmos Energy

** Of 65 Million (2008) US Residential Customers*

Introduction to Atmos Energy



■ States of Operation ■ Utility Service Area ● Headquarter Cities

Recovery of Atmos Energy Infrastructure Investments



	Infrastructure Replacement Trackers	Annual Rate Stabilization	Comprehensive Rate Cases
Colorado			
Kansas			
Georgia		New	
Kentucky	[1]		
Tennessee			
Virginia			
Louisiana - TLA			
Louisiana - LGS			
Mississippi			
Mid-Tex-Dallas	[1]	New	
Mid-Tex- Other Cities	[1]		
WTX - Lubbock	[1]		
WTX - W.TX Cities	[1]		
WTX- Amarillo	[1]		
All TX- Outside of Cities	[2]		


Notes:

1 - Includes concurrent cost recovery, steel services and TX Rule 8.209.

2 - Gas Reliability and Infrastructure Program available by statute, used currently in Unincorporated Areas.

Initiatives Relating to Infrastructure Renewal

(Includes legislative proposals and rulemakings)

- Pipeline Integrity Management (existing)
 - Distribution Integrity Management (existing)
 - Bare Steel replacement
 - Expanded Pipeline Integrity Management
 - Validation of MAOP for pre 1970 pipe
 - Valve spacing and remote controlled shut-off valves
- 

Gas Utility Infrastructure Renewal Programs

**Innovative Ratemaking Approaches
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