



# News Release

## Office of the Attorney General

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### **Attorney General Settlement with Atmos Energy Reduces a Proposed Rate Increase**

Tennessee Attorney General Herbert H. Slatery III today announced a settlement with Atmos Energy Corporation (Atmos) that significantly reduces a proposed rate increase to natural gas consumers. The settlement provides that consumers' rates will only increase 0.5%, which is substantially less than the 3.9% rate increase Atmos originally requested.

"This agreement accomplishes two very important things. It keeps rates down for consumers while allowing Atmos revenues sufficient to earn a fair and reasonable return on its capital investments," said Attorney General Slatery.

Atmos initially asked the Tennessee Regulatory Authority (TRA) to raise consumers' rates by approximately \$5.89 million. This would have increased the natural gas bill for the average residential consumer by \$2.09 per month. Instead, the settlement will sharply reduce this increase to approximately \$711,000. The net result is that the average residential consumer will only see an estimated 26 cents per month increase.

The Consumer Advocate and Protection Division of the Tennessee Attorney General's Office represents the interests of Tennessee consumers of public utilities services. In this case, the Consumer Advocate intervened on behalf of ratepayers to negotiate the agreement.

The settlement also limits the rate of return on equity that Atmos may earn on its capital investments. Atmos had requested a 10.7% return on equity, but the settlement permits a maximum return on equity of 9.8%. This lower return will help keep consumers' natural gas rates low into the future.

Atmos is a public utility that provides natural gas service to approximately 132,000 residential, commercial, and industrial consumers in Tennessee. Atmos serves Bedford, Blount, Carter, Greene, Hamblen, Maury, Moore, Obion, Rutherford, Sullivan, and Williamson Counties.

The new rates will go into effect on June 1, 2015.



