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**ATMOS ENERGY CORPORATION**

**MID-STATES / KENTUCKY DIVISION**

**IN THE MATTER OF ) CASE NO. 2006-00464**  
**RATE APPLICATION BY )**  
**ATMOS ENERGY CORPORATION )**  
**MID-STATES/KENTUCKY )**

**RESPONSE OF ATMOS ENERGY CORPORATION**

**MID-STATES DIVISION**

**AG DATA REQUEST DATED FEBRUARY 20, 2007**

**(AG DATA REQUEST NO. 1)**

**DR 51 – DR 100**

**MARCH 16, 2007**

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 51**  
**Witness: Greg Waller**

**Data Request:**

Please provide a listing, description (including account number) and dollar amount of all public relations and community relations expenses included in the above-the-line forecasted test year O&M expenses. This expense analysis should also include the public relations and community relations expenses included in the allocations to Kentucky from the SSU and General Office.

**Response:**

See attachment labeled AG DR1-51 ATT.

Atmos Energy Corporation, KY

Case No. 2006-00464

AG DR1-51

Attachment #1

**Kentucky division only.**

8700	4040 Community Rel&Trade Shows	417
		<u>417</u>
8740	4040 Community Rel&Trade Shows	9
		<u>9</u>
9070	4040 Community Rel&Trade Shows	1,068
9070	4046 Cust Relations & Assist	20
		<u>1,088</u>
9090	4040 Community Rel&Trade Shows	3,170
9090	4046 Cust Relations & Assist	329
		<u>3,499</u>
9100	4040 Community Rel&Trade Shows	2,303
9100	4046 Cust Relations & Assist	6,917
		<u>9,220</u>
9110	4040 Community Rel&Trade Shows	12,150
9110	4046 Cust Relations & Assist	15,479
		<u>27,629</u>
9120	4040 Community Rel&Trade Shows	6,471
9120	4046 Cust Relations & Assist	30,557
		<u>37,028</u>
9160	4040 Community Rel&Trade Shows	66
9160	4046 Cust Relations & Assist	105
		<u>171</u>

**Allocation from SSU.**

9220	4040 Community Rel&Trade Shows	91
9220	4046 Cust Relations & Assist	13,931
		<u>14,022</u>

**Allocation from General office.**

9220	4040 Community Rel&Trade Shows	27,869
9220	4046 Cust Relations & Assist	58,018
		<u>85,887</u>

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 52**  
**Witness: Greg Waller**

**Data Request:**

Please provide a description and the amount of any fines and penalty expenses (direct Kentucky as well as allocated from the SSU and General Office) that are included in the above-the-line forecasted test year expenses.

**Response:**

There are no fines or penalty expenses in the above-the-line forecasted test year.

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 53**  
**Witness: Greg Waller**

**Data Request:**

With regard to AGA dues, please provide the following information:

- a. Total AGA dues included in the forecasted test year expenses. These dues should include the dues paid by Kentucky, as well as any dues allocated to Kentucky from the SSU and General Office. In addition, explain whether 100% of these expenses are booked above-the-line or whether a portion of them are booked below-the-line, and explain the reason for this below-the-line portion.
- b. Please provide the latest available percentage breakout with regard to the activities performed by the American Gas Association.
- c. Provide a copy of the latest American Gas Association document that includes detailed descriptions of the nature and purpose of each of the functional areas to be provided in response to part b above.

**Response:**

- a. Total AGA dues included in the forecasted test year expenses are \$29,503. This is the allocated amount of the total corporation dues paid. The entire amount is charged above the line (account 9302). There were no dues paid to AGA charged below the line.
- b. The following was provided by the AGA. The basis for the percentage breakdowns in dollars allocated by function in their 2007 budget.

AMERICAN GAS ASSOCIATION

2007 BUDGET

	\$	%
	2007	2007
	<u>ALLOCATION</u>	<u>ALLOCATION</u>
Advertising	\$345,000	1.39%
Corporate Affairs	\$2,099,000	8.44%
General & Administrative	\$4,665,000	18.77%
General Counsel	\$1,016,000	4.09%
Industry Finance & Administrative Prog.	\$1,283,000	5.16%
Operations & Engineering Management	\$5,993,000	24.11%
Policy, Planning & Regulatory Affairs	\$3,669,000	14.76%
Public Affairs	<u>\$5,790,000</u>	<u>23.29%</u>
Total Budget	\$24,860,000	100.00%

c. The following functional area information was provided by the AGA.

Advertisement manages the development and placement of advertisements in national print and electronic media.

Corporate Affairs provides opportunities for interaction between member companies and the financial community. The focus is to promote interest in the investment opportunities in the industry.

General and Administrative includes:

1. Office of the President provides senior management guidance for all AGA activities.
2. Human Resources develops and administers employee programs and provides office and personnel services.
3. Finance and Administration develops and administers financial accounting and treasury services and maintains computer services capability.

General Counsel provides legal counsel to the Association.

Industry Finance and Administration develops and implements programs in such areas as accounting, human resources, and risk management for member companies.

Operations and Engineering Management develops and implements programs and practices to meet the operational, safety, and engineering needs of the industry.

Policy, Planning, and Regulatory Affairs includes:

1. Policy & Analysis identifies the need for and conducts energy analyses and modeling efforts in the areas of gas supply and demand, economics, and the environment.
2. Regulatory Affairs provides members with information on FERC and state regulatory developments; prepares testimony, comments, and filings regarding regulatory activities.

Public Affairs provides members with information on legislative development; prepares testimony, comments, and filings regarding legislative activities, lobbies on behalf of the industry. It also includes Communications, which develops informational material for member companies and consumers and coordinates all media activity.

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 54**  
**Witness: Greg Waller**

**Data Request:**

Schedule F-2.1, page 2 shows total charitable contributions of \$160,706 that the Company claims are not included in above-the-line O&M expenses. In this regard, please provide the following information:

- a. Are these expenses that are booked below-the-line in the Company's budgeting process or are these expenses that are booked above-the-line by the Company but have been removed specifically for ratemaking purposes in this case. If the latter, through what process and where in the filing schedules were these expenses removed?
- b. If any other expenses that can be considered contributions are included in the above-the-line forecasted test year O&M expenses, including in the expenses allocated to Kentucky from the SSU and General Office, please identify, list and quantify these contribution expenses.

**Response:**

Item a:

These items are booked below the line in the budgeting process.

Item b:

Beginning with Fiscal Year 2007, all charitable contributions are booked below the line. Please see response AG DR1-49 for further clarification.

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 55**  
**Witness: Greg Waller**

**Data Request:**

Schedule F-1, pages 4 – 6 shows forecasted test year dues of \$82,960 that are characterized as social and club dues. In this regard, please provide the following information:

- a. Is the entire amount of \$82,960 booked as above-the-line O&M expense? If so, explain in which account(s) these expenses are recorded.
- b. To the extent that this \$82,960 does not include dues allocated to Kentucky from SSU and the General Office, please identify, list and quantify all such allocated dues included in the above-the-line forecasted test year O&M expenses.
- c. \$36,167 out of the \$82,960 is for numerous chamber of commerce dues. Please explain why it is appropriate to have the ratepayers pay for such dues.
- d. Please provide the nature and purpose of the dues on the following lines on Schedule F-1, pages 4-6: 2, 3, 6, 8, 14-18, 26, 27, 29, 30, 35, 36, 41, 42, 47, 50-52, 55, 57 and 58.

**Response:**

- a. Yes. These expenditures are booked to account 9302.
- b. The \$82,960 does not include allocations from SSU or General Office. See attachment labeled AG DR1-55 ATT for these expenditures.
- c. Membership in these organizations serves as an important business operations tool for Atmos Energy. The Company and its customers benefit from infrastructure improvements advocated by commerce organizations that enhance opportunities for local business and industry, and for those employed and served by the business community. Customers have a deeply vested interest in the economic well-being of both their utility company and their community. Commerce organizations provide tools that facilitate the ongoing maintenance of a healthy, efficient and reliable company. Moreover, such organizations aid in connecting ratepayer interests in urban and agricultural areas along with acting as a networking resource that keeps the industry up to date on best business practices and emerging needs of customers. Simply put, the Company continues to participate in such organizations because it firmly believes that membership provides direct and tangible benefits to ratepayers.
- d. Line 2, Associated Industries of KY is a statewide association dedicated to a better business, tax and labor climate. It is a pro-business group that covers all segments of the business community by pursuing a business friendly climate. It promotes Kentucky as a state in which to locate industry and to



locate a family. It promotes business which is in the best interest of the company and citizens of the Commonwealth.

Lines 3,6,26,29,30,36,50 and 52 are dues paid to various Home Builder Associations. Local Home Builder Associations hold monthly meetings to provide its members an opportunity to exchange ideas and information. They promote the housing industry and continually strive to provide quality housing. They assist in home shows, table-top nights and parade of homes while also hosting educational seminars. They stay alert to local government involvement such as zoning, building codes and subdivision regulations. They provide Atmos a low cost/high benefit way to stay involved with local housing professionals who are providing functional , quality and affordable housing opportunities for our current and future customers. The HBA also allows the company an avenue for communicating the benefits of natural gas.

Lines 8,16,17,18,35 & 47 are dues paid to various organizations dealing with economic development. These organizations are typically public/private partnerships formed to attract and to grow primary employers. In conjunction with other agencies, they market local airparks and industrial parks. They also assist existing businesses with expansion projects. Again the Company's involvement in these organizations provides an avenue to promote both business and residential growth in the areas where service is provided.

Lines 14, 15 & 27 are dues paid to various organizations supporting redevelopment or revitalization of older or out dated downtown areas. Redevelopment of existing blighted neighborhoods is extremely cost effective since the infrastructure for urban development already exists. Downtowns are the heart of our communities and a revitalized and vibrant downtown benefits the community and our rate payers. They help make downtown areas more attractive, both in appearance and functionality, while trying to bring new business and families into town, thus allowing for future growth in business and therefore residential customers.

Line 41 contains various small Chamber of Commerce dues (under \$100). See response in c. above.

Lines 42 & 47 are professional organizations which provide professional development for those employees that are members. These development opportunities help the employee to provide excellent customer service and keep up to date in their respective fields.

Lines 51, 55 & 58 are expenditures that have been inappropriately included in the dues budget.

**AG DR1-55 B ATT**

Company	(All)
Account	(All)

Sum of Journal Amount	Sub Account	Sub Description	Allocated to
Service			<b>Kentucky</b>
2000	5415	Membership Fees	4,864.34
	5416	Club Dues - Nondeductible	224.60
	5417	Club Dues - Deductible	96.25
	7510	Association Dues	6,478.30
<b>2000 Total</b>			<b>11,663.49</b>
12000	5415	Membership Fees	428.04
	7510	Association Dues	326.25
<b>12000 Total</b>			<b>754.29</b>
91000	5415	Membership Fees	998.94
	5416	Club Dues - Nondeductible	354.14
	5417	Club Dues - Deductible	159.59
	7510	Association Dues	19,473.81
<b>91000 Total</b>			<b>20,986.49</b>
<b>Grand Total</b>			<b>33,404.27</b>

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 56**  
**Witness: Greg Waller**

**Data Request:**

With regard to Service Awards/Employee Awards, please provide the following information:

- a. In the same format and detail as per the Company's response to AG-2-16(c) in Case No. 2005-00057, please provide a detailed breakout and description of the service award expenses included in the above-the-line forecasted test year O&M expenses. To the extent that the expenses allocated to Kentucky from the SSU and General Office include service award expenses, please include a similar breakout, description, and quantification of these service award expenses.
- b. Schedule F-2.3 shows that the forecasted test year includes \$72,474 for employee award expenses. Please provide the following information regarding these expenses:
  - 1) Are these expenses above-the-line O&M expenses and do they include award expenses allocated to Kentucky by the SSU and General Office? If not, provide these forecasted test year above-the-line allocated award expenses.
  - 2) If these expenses of \$72,474 are different from the service award expenses to be provided in the response to part a above, provide a detailed breakout and description of these employee award expenses.

**Response:**

- a. The response to AG-2-16(c) was based on historical information of actual awards received by employees. This type of detail is not available for the forecasted test year expense because it would be impossible to determine what specific gifts might be chosen by each individual eligible for an award. For each recognition level there are numerous gift choices that are available to an employee. The amount in the forecasted test year was determined in the same manner as explained on page 12 of the direct testimony of Mr. Greg Waller.
- b.
  1. These are above-the-line O&M expenses. The \$72,474 does not include employee award expenses allocated by SSU and General office. Please see the attachment labeled AG DR1-56 ATT for the allocated amounts.
  2. These are the same expenses as referenced in (a) above.

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 57**  
**Witness: Greg Waller**

**Data Request:**

With regard to employee party, outing and gift expenses, please provide the following information:

- a. Provide a detailed listing, description and quantification of all employee party, outing and gift expenses included in the above-the-line forecasted test year O&M expenses. This should include any of these expenses allocated to Kentucky from the SSU and General Office.
- b. Schedule F-2.3 shows that the forecasted test year includes \$12,040 for employee activity expenses. Please provide the following information regarding these expenses:
  - 1) Are these expenses above-the-line O&M expenses and do they include expenses allocated to Kentucky by the SSU and General Office? If not, provide these forecasted test year above-the-line allocated employee activity expenses.
  - 2) If these expenses of \$12,040 are different from the employee party, outing and gift expenses to be provided in the response to part a above, provide a detailed breakout and description of these employee activity expenses.

**Response:**

- a. Employee party, outing and gift expenses are not budgeted at a detail level, therefore there is no detail listing available. The \$12,040 referenced in schedule F-2.3 is Kentucky specific and was forecast using historical information which represents the estimated cost associated with 3 events, approximately \$5,500 for Christmas receptions, approximately \$2,500 for golf tournaments and approximately \$4,000 for picnics. Not included in this amount is an allocation from the General office or SSU. SSU has an employee activity committee that sponsors a Christmas party, company picnic and other activities throughout the year. The Kentucky portion of these costs is \$3,179. The General office portion is \$589 for a Christmas reception.
- b.
  1. These are above-the-line O&M expenses. There are no allocated amounts included in the \$12,040, see (a) above for the allocated amounts from SSU and the General office.
  2. These are the same expenses as referenced in (a) above.

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 58**  
**Witness: Greg Waller**

**Data Request:**

Schedule F-7 shows that the forecasted test year includes \$88,190 for Political Activities expenses. In this regard, please provide the following information:

- a. Are these expenses included in the forecasted test year above-the-line O&M expenses? If so, provide a detailed listing, description and dollar amount breakout for each all items making up this expense amount of \$88,190.
- b. Do these expenses include political activity expenses allocated to Kentucky from the SSU and General Office? If not, provide a detailed listing, description and quantification of all political activity expenses allocated to Kentucky's above-the-line forecasted test year O&M expenses.
- c. Provide a listing, description and quantification of any other lobbying type expenses other than the expenses to be provided in the responses to parts a and b above that are included in the above-the-line forecasted test year O&M expenses.
- d. To the extent not included in the responses to parts a, b, and c above, provide a breakout, description and quantification of all forecasted test year Governmental Services Department expenses for Kentucky and included in the allocations from the SSU and General Office.
- e. To the extent not included in the responses to parts a, b, c, and d, provide a breakout, description and quantification of all direct Kentucky and SSU/General Office-allocated forecasted test year expenses (salaries and all associated overheads) associated with employees responsible for governmental affairs and lobbying functions.

**Response:**

- a. These expenses are not included in the forecasted above-the-line O&M expenses.
- b. These expenses do include costs allocated from SSU. There are no allocated expenses from the General Office since all political activities are charged directly to the appropriate rate jurisdiction.
- c. There are no other lobbying expenses included above the line.
- d. See attached spreadsheet labeled AG DR1-58 ATT.
- e. See response to item (d) above.

Atmos Energy Corporation, KY

Case No. 2006-00464

SS Dallas Governmental and Public Affairs  
AG DR1-58

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Test Period
Labor	27510	28761	25010	27,987	27,987	26,715	29,768	25,885	28,473	27,179	29,768	27,179	332,223
Benefits	8143	8513	7403	8,284	8,284	7,908	8,811	7,662	8,428	8,045	8,811	8,045	98,338
Materials & Supplies	92	92	92	94	94	94	94	94	94	94	94	94	1,125
Vehicles & Equip	-	-	-	-	-	-	-	-	-	-	-	-	-
Print & Postages	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee Welfare	7682	7682	7686	6,605	6,605	6,605	6,605	6,605	6,605	5,193	7,874	7,874	83,621
Information Technologies	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent, Maint., & Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Directors & Shareholders & PR	-	-	-	-	-	-	-	-	-	-	-	-	-
Telecom	470	470	470	482	482	482	482	482	482	482	482	482	5,746
Travel & Entertainment	6100	6100	6100	6,253	6,253	6,253	6,253	6,253	6,253	6,253	20,910	6,253	89,230
Dues & Donations	-	-	-	-	-	-	-	-	-	-	-	-	-
Training	-	-	-	-	-	-	-	-	-	-	-	-	-
Outside Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total O&amp;M Expenses Before Allocations</b>	<b>49,997</b>	<b>51,618</b>	<b>46,761</b>	<b>49,705</b>	<b>49,705</b>	<b>48,057</b>	<b>52,013</b>	<b>46,981</b>	<b>50,334</b>	<b>47,245</b>	<b>67,939</b>	<b>49,927</b>	<b>610,283</b>

% allocated to KY 5.20%

Charged to KY	2,600	2,684	2,432	2,585	2,585	2,499	2,705	2,443	2,617	2,457	3,533	2,596	31,735
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Atmos Energy Corporation, KY  
Case No. 2006-00464  
KY/Md St Governmental Affairs  
AG DR1-58

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Test Period
Labor	7121	7121	6,798	7,445	6,474	7,121	6,798	7,445	6,798	7,121	7,445	6,474	84,161
Benefits	2884	2884	2,753	3,015	2,622	2,884	2,753	3,015	2,753	2,884	3,015	2,622	34,084
Materials & Supplies	25	25	25	25	25	25	25	25	25	25	25	25	300
Vehicles & Equip	-	-	-	-	-	-	-	-	-	-	-	-	-
Print & Postages	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing	333	333	333	333	333	333	333	333	333	333	333	337	4,000
Employee Welfare	1616	1616	1616	1616	1616	1616	1,203	1,791	1,791	1,791	1,791	1,793	19,856
Information Technologies	-	-	-	-	-	-	4,402	4,402	4,402	4,402	4,402	4,402	52,524
Rent, Maint., & Utilities	4,402	4,402	4,402	4,402	4,402	4,402	4,402	4,402	4,402	4,402	4,402	4,402	-
Directors & Shareholders & PR	-	-	-	-	-	-	-	-	-	-	-	-	-
Telecom	15	15	15	15	15	15	15	15	15	15	15	15	180
Travel & Entertainment	1916	1916	1916	1916	1916	1916	1916	1916	1916	1916	1916	1,924	23,000
Dues & Donations	500	-	-	-	-	-	-	-	-	-	-	-	500
Training	500	-	-	500	-	-	500	-	-	500	-	-	2,000
Outside Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total O&amp;M Expenses Before Allocations</b>	<b>19,312</b>	<b>18,312</b>	<b>17,858</b>	<b>19,267</b>	<b>17,403</b>	<b>18,312</b>	<b>17,945</b>	<b>18,942</b>	<b>18,033</b>	<b>18,987</b>	<b>18,942</b>	<b>17,592</b>	<b>220,905</b>

% allocated to KY

Charged to KY	7,102	6,734	6,567	7,086	6,400	6,734	6,599	6,966	6,632	6,983	6,966	6,470	81,240
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**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 59**  
**Witness: Greg Waller**

**Data Request:**

With regard to the \$100,000 expense amount shown on Schedule F-8, please provide the following information:

- a. Provide a listing, description and dollar amount breakout of all of the items making up this \$100,000, as well as the reason for disallowing these expenses.
- b. To the extent that this \$100,000 does not include similar expense items included in the SSU and General Office expense allocations, provide a listing and quantification of these allocated expenses.

**Response:**

- a. Please see attached for detail from corporate and division officer expense reports which was used to form the basis of the adjustment to the forecasted test period. As seen in the attachment, there are separate sections for corporate and division officers. In each case, the appropriate allocation factor for Kentucky was applied. The total of the two categories was then rounded up in good faith for the purpose of making the ratemaking adjustment.

The Company is voluntarily electing to forego recovery of executive expense activities. The items reflected on the schedule represent legitimate business expenditures that are neither unreasonable nor inappropriate. Although these expenses are recoverable, the Company has removed them for the purpose of setting rates. Atmos has, in its discretion, determined that it will not ask that ratepayers in Kentucky to contribute to these activities.

- b. The \$100,000 adjustment includes only expense items that, under the new accounting changes that became effective October 1, 2006, would be allocated from SSU and the Division General Office. Prior to the accounting change, the officers of the Kentucky Division charged their expenses directly to the stand alone Kentucky rate division. As of October 1, 2006 and through the test period and beyond, these expenses will be allocated from the Division General Office rate division.



Atmos Energy Corporation, KY  
Case No. 2006-00464  
AG DR1-59

Atmos Energy Corporation  
Corporate and Division Executive Expense Reports  
Fiscal Year 2006

SSU Allocation Factor to Kentucky  
Division General Office Allocation Factor to Kentucky  
INVOICE

5.20%  
36.776%

Line Item	NUMBER	INVOICE DATE	GL DATE	AMOUNT	LINE ITEM	KY	Amount Allocated to	Company	ACCOUNT CODING			Sub Acct	Sub Acct Description	Sub Acct Sub-Total
									Cost	Center	Acct			
1	IEXP-50836	04/03/06	04/06/06	200.00			10.40	010	1503	9210	04040	Community Rel&Trade Shows	10.40	
2	IEXP-38009	10/18/05	10/20/05	6,977.93			362.85	010	1502	9302	04112	Board Meeting Expenses		
3	IEXP-40648	11/09/05	11/14/05	4,177.55			217.23	010	1502	9302	04112	Board Meeting Expenses		
4	IEXP-43068	12/07/05	12/08/05	3,584.78			186.41	010	1502	9302	04112	Board Meeting Expenses		
5	IEXP-45271	01/11/06	01/19/06	3,264.60			169.76	010	1502	9302	04112	Board Meeting Expenses		
6	IEXP-48153	02/15/06	02/16/06	12,228.65			635.89	010	1502	9302	04112	Board Meeting Expenses		
7	IEXP-49764	03/14/06	03/16/06	4,054.06			210.81	010	1502	9302	04112	Board Meeting Expenses		
8	IEXP-51376	04/11/06	04/13/06	60.00			3.12	010	1502	9302	04112	Board Meeting Expenses		
9	IEXP-51502	04/13/06	04/17/06	19,530.55			1,015.59	010	1502	9302	04112	Board Meeting Expenses		
10	IEXP-53027	05/09/06	05/11/06	15,542.18			808.19	010	1502	9302	04112	Board Meeting Expenses		
11	IEXP-54687	06/07/06	06/12/06	13,876.61			721.58	010	1502	9302	04112	Board Meeting Expenses		
12	IEXP-56725	07/11/06	07/13/06	3,096.95			161.04	010	1502	9302	04112	Board Meeting Expenses		
13	IEXP-58379	08/08/06	08/10/06	3,241.72			168.57	010	1502	9302	04112	Board Meeting Expenses		
14	IEXP-61159	09/07/06	09/11/06	5,419.25			281.80	010	1502	9302	04112	Board Meeting Expenses		
15	IEXP-41512	11/17/05	11/21/05	16.50			0.86	010	1132	9302	04140	Analyst Activities	4,942.85	

16 IEXP-53694	05/19/06	05/22/06	7,415.24	385.59 010	1132	9210	04140	Analyst Activities	386.45
17 IEXP-50654	03/30/06	04/03/06	20.00	1.04 010	1132	9210	04143	NAIC	1.04
18 IEXP-44647	01/04/06	06/01/06	43.40	2.26 010	1114	9210	05010	Office Supplies	
19 IEXP-48153	02/15/06	02/16/06	150.47	7.82 010	1502	9302	05010	Office Supplies	
20 IEXP-48967	02/28/06	03/02/06	55.17	2.87 010	1503	9210	05010	Office Supplies	
21 IEXP-50836	04/03/06	04/06/06	72.94	3.79 010	1503	9210	05010	Office Supplies	
22 IEXP-51041	04/05/06	04/06/06	434.75	22.61 010	1150	9210	05010	Office Supplies	
23 IEXP-51042	04/05/06	04/06/06	53.00	2.76 010	1150	9210	05010	Office Supplies	
24 IEXP-54202	05/31/06	06/08/06	432.40	22.48 010	1150	9210	05010	Office Supplies	
25 IEXP-55630	05/12/06	06/29/06	42.59	2.21 010	1150	9210	05010	Office Supplies	
26 IEXP-57282	07/20/06	07/24/06	16.23	0.84 010	1503	9210	05010	Office Supplies	
27 IEXP-60116	08/25/06	08/31/06	5.40	0.28 010	1503	9210	05010	Office Supplies	
28 IEXP-61898	09/13/06	09/21/06	478.39	24.88 010	1150	9210	05010	Office Supplies	
29 IEXP-62304	09/15/06	09/21/06	80.90	4.21 010	1133	9210	05010	Office Supplies	
30 IEXP-37771	10/14/05	10/17/05	48.51	2.52 010	1106	9210	05111	Postage/Delivery Services	97.01
31 CHE062906	06/29/06	06/29/06	2.65	0.14 010	1201	9210	05411	Meals & Entertainment	
32 EXP010306	01/03/06	01/19/06	11.99	0.62 010	1350	9210	05411	Meals & Entertainment	
33 EXP010406-1	01/04/06	01/17/06	25.22	1.31 010	1350	9210	05411	Meals & Entertainment	
34 EXP013106-1	01/31/06	02/22/06	4.19	0.22 010	1350	9210	05411	Meals & Entertainment	
35 EXP021406-1	02/14/06	02/22/06	129.24	6.72 010	1350	9210	05411	Meals & Entertainment	
36 EXP022806-1	02/28/06	03/15/06	41.39	2.15 010	1350	9210	05411	Meals & Entertainment	
37 EXP022806-1	02/28/06	04/10/06	88.61	4.61 010	1350	9210	05411	Meals & Entertainment	
38 EXP033106-1	03/31/06	04/10/06	4.19	0.22 010	1350	9210	05411	Meals & Entertainment	
39 EXP033106-1	03/31/06	04/11/06	64.77	3.37 010	1350	9210	05411	Meals & Entertainment	

40 EXP043006-1	04/30/06	05/23/06	211.69	11.01 010	1350	9210	05411	Meals & Entertainment
41 EXP053106-1	05/31/06	06/21/06	57.61	3.00 010	1350	9210	05411	Meals & Entertainment
42 EXP063006	06/30/06	07/17/06	47.86	2.49 010	1350	9210	05411	Meals & Entertainment
43 EXP063106-1	08/31/06	09/12/06	66.77	3.47 010	1350	9210	05411	Meals & Entertainment
44 EXP103105	10/31/05	11/08/05	8.38	0.44 010	1350	9210	05411	Meals & Entertainment
45 EXP111005-1	11/10/05	11/30/05	82.86	4.31 010	1350	9210	05411	Meals & Entertainment
46 EXP111005-2	11/10/05	11/30/05	198.78	10.34 010	1350	9210	05411	Meals & Entertainment
47 EXP120805	12/08/05	12/14/05	9.19	0.48 010	1350	9210	05411	Meals & Entertainment
48 EXP121305	12/13/05	12/20/05	3.23	0.17 010	1350	9210	05411	Meals & Entertainment
49 IEXP-36877	09/30/05	10/06/05	392.04	20.39 010	1201	9210	05411	Meals & Entertainment
50 IEXP-37010	10/03/05	10/06/05	124.88	6.49 010	1130	9210	05411	Meals & Entertainment
51 IEXP-37073	10/04/05	10/11/05	3,430.78	178.40 010	1503	9302	05411	Meals & Entertainment
52 IEXP-37083	10/04/05	10/06/05	35.54	1.85 010	1201	9210	05411	Meals & Entertainment
53 IEXP-37245	10/06/05	06/01/06	105.65	5.49 010	1114	9210	05411	Meals & Entertainment
54 IEXP-37771	10/14/05	10/17/05	112.81	5.87 010	1106	9210	05411	Meals & Entertainment
55 IEXP-37890	10/17/05	10/20/05	525.17	27.31 010	1001	9210	05411	Meals & Entertainment
56 IEXP-38009	10/18/05	10/20/05	45.16	2.35 010	1502	9302	05411	Meals & Entertainment
57 IEXP-38188	10/19/05	10/20/05	46.53	2.42 010	1134	9210	05411	Meals & Entertainment
58 IEXP-38295	10/20/05	10/24/05	65.02	3.39 010	1134	9210	05411	Meals & Entertainment
59 IEXP-38409	10/20/05	10/24/05	61.77	3.21 010	1403	9210	05411	Meals & Entertainment
60 IEXP-38511	10/21/05	10/27/05	285.41	14.84 010	1501	9302	05411	Meals & Entertainment
61 IEXP-38532	10/21/05	10/24/05	658.32	34.23 010	1132	9210	05411	Meals & Entertainment
62 IEXP-39110	10/27/05	11/07/05	532.02	27.67 010	1101	9260	05411	Meals & Entertainment
63 IEXP-40648	11/09/05	11/14/05	62.00	3.22 010	1502	9302	05411	Meals & Entertainment
64 IEXP-40672	11/09/05	11/14/05	1,510.51	78.55 010	1403	9210	05411	Meals & Entertainment
65 IEXP-40869	11/11/05	11/14/05	91.85	4.78 010	1130	9210	05411	Meals & Entertainment
66 IEXP-41480	11/17/05	11/21/05	3.85	0.20 010	1106	9210	05411	Meals & Entertainment

67 IEXP-41499	11/17/05	11/21/05	3,445.74	179.18 010	1201	9210	05411	Meals & Entertainment
68 IEXP-41595	11/18/05	11/21/05	215.06	11.18 010	1134	9210	05411	Meals & Entertainment
69 IEXP-41825	11/21/05	12/01/05	271.78	14.13 010	1501	9302	05411	Meals & Entertainment
70 IEXP-41877	11/22/05	11/23/05	150.00	7.80 010	1501	9302	05411	Meals & Entertainment
71 IEXP-42136	11/29/05	06/01/06	5,052.51	262.73 010	1114	9210	05411	Meals & Entertainment
72 IEXP-43450	12/13/05	12/15/05	7.61	0.40 010	1134	9210	05411	Meals & Entertainment
73 IEXP-43607	12/14/05	12/15/05	94.82	4.93 010	1106	9210	05411	Meals & Entertainment
74 IEXP-43689	12/15/05	12/19/05	153.36	7.97 010	1101	9210	05411	Meals & Entertainment
75 IEXP-43690	12/15/05	12/22/05	1,558.43	81.04 010	1503	9210	05411	Meals & Entertainment
76 IEXP-43738	12/16/05	12/22/05	3,755.04	195.26 010	1001	9210	05411	Meals & Entertainment
77 IEXP-43776	12/16/05	12/19/05	239.72	12.47 010	1134	9210	05411	Meals & Entertainment
78 IEXP-43995	12/20/05	12/22/05	2,013.33	104.69 010	1132	9210	05411	Meals & Entertainment
79 IEXP-44647	01/04/06	06/01/06	2,251.64	117.09 010	1114	9210	05411	Meals & Entertainment
80 IEXP-44780	01/05/06	01/12/06	36.09	1.88 010	1133	9210	05411	Meals & Entertainment
81 IEXP-45229	01/11/06	01/16/06	975.22	50.71 010	1501	9302	05411	Meals & Entertainment
82 IEXP-45532	01/13/06	01/19/06	6,261.54	325.60 010	1101	9210	05411	Meals & Entertainment
83 IEXP-46607	01/27/06	01/30/06	63.51	3.30 010	1106	9210	05411	Meals & Entertainment
84 IEXP-47326	02/03/06	02/06/06	242.25	12.60 010	1501	9302	05411	Meals & Entertainment
85 IEXP-48153	02/15/06	02/16/06	119.61	6.22 010	1502	9302	05411	Meals & Entertainment
86 IEXP-48386	02/17/06	02/21/06	271.49	14.12 010	1150	9210	05411	Meals & Entertainment
87 IEXP-48390	02/17/06	02/21/06	192.29	10.00 010	1150	9210	05411	Meals & Entertainment
88 IEXP-48392	02/17/06	02/21/06	440.34	22.90 010	1150	9210	05411	Meals & Entertainment
89 IEXP-48564	02/21/06	02/23/06	371.34	19.31 010	1132	9210	05411	Meals & Entertainment
90 IEXP-48639	02/22/06	03/02/06	2,324.39	120.87 010	1001	9210	05411	Meals & Entertainment
91 IEXP-48854	02/27/06	06/01/06	5,876.89	305.60 010	1114	9210	05411	Meals & Entertainment
92 IEXP-48967	02/28/06	03/02/06	1,775.48	92.32 010	1503	9210	05411	Meals & Entertainment
93 IEXP-49110	03/02/06	03/06/06	100.97	5.25 010	1501	9302	05411	Meals & Entertainment

94 IEXP-49764	03/14/06	03/16/06	78.38	4.08 010	1502	9302	05411	Meals & Entertainment
95 IEXP-50101	03/20/06	03/23/06	6.37	0.33 010	1106	9210	05411	Meals & Entertainment
96 IEXP-50203	03/22/06	03/23/06	71.25	3.71 010	1501	9302	05411	Meals & Entertainment
97 IEXP-50432	03/27/06	03/30/06	181.69	9.45 010	1403	9210	05411	Meals & Entertainment
98 IEXP-50749	03/31/06	06/01/06	186.75	9.71 010	1114	9210	05411	Meals & Entertainment
99 IEXP-50836	04/03/06	04/06/06	264.04	13.73 010	1503	9210	05411	Meals & Entertainment
100 IEXP-51025	04/05/06	04/06/06	2,181.95	113.46 010	1101	9210	05411	Meals & Entertainment
101 IEXP-51041	04/05/06	04/06/06	852.93	44.35 010	1150	9210	05411	Meals & Entertainment
102 IEXP-51042	04/05/06	04/06/06	50.77	2.64 010	1150	9210	05411	Meals & Entertainment
103 IEXP-51376	04/11/06	04/13/06	109.67	5.70 010	1502	9302	05411	Meals & Entertainment
104 IEXP-51398	04/11/06	04/13/06	239.14	12.44 010	1503	9210	05411	Meals & Entertainment
105 IEXP-51467	04/12/06	04/13/06	298.95	15.55 010	1403	9210	05411	Meals & Entertainment
106 IEXP-51502	04/13/06	04/17/06	62.28	3.24 010	1502	9302	05411	Meals & Entertainment
107 IEXP-51653	04/17/06	04/20/06	3,484.25	181.18 010	1001	9210	05411	Meals & Entertainment
108 IEXP-51794	04/19/06	04/27/06	593.13	30.84 010	1501	9302	05411	Meals & Entertainment
109 IEXP-52142	04/25/06	04/27/06	286.30	14.89 010	1133	9302	05411	Meals & Entertainment
110 IEXP-52183	04/26/06	04/27/06	467.04	24.29 010	1134	9210	05411	Meals & Entertainment
111 IEXP-52554	05/02/06	05/04/06	436.89	22.72 010	1101	9210	05411	Meals & Entertainment
112 IEXP-52688	05/03/06	05/04/06	724.86	37.69 010	1503	9210	05411	Meals & Entertainment
113 IEXP-53027	05/09/06	05/11/06	104.64	5.44 010	1502	9302	05411	Meals & Entertainment
114 IEXP-53029	05/09/06	05/11/06	89.79	4.67 010	1503	9210	05411	Meals & Entertainment
115 IEXP-53070	05/09/06	05/11/06	277.96	14.45 010	1201	9210	05411	Meals & Entertainment
116 IEXP-53071	05/09/06	05/11/06	293.16	15.24 010	1201	9210	05411	Meals & Entertainment
117 IEXP-53249	05/12/06	05/18/06	34.82	1.81 010	1106	9210	05411	Meals & Entertainment
118 IEXP-53329	05/15/06	05/18/06	2,496.20	129.80 010	1201	9210	05411	Meals & Entertainment
119 IEXP-53331	05/15/06	05/18/06	6,031.84	313.66 010	1201	9210	05411	Meals & Entertainment
120 IEXP-53333	05/15/06	05/18/06	1,229.48	63.93 010	1201	9210	05411	Meals & Entertainment
121 IEXP-53334	05/15/06	05/18/06	10,362.80	538.87 010	1201	9210	05411	Meals & Entertainment
122 IEXP-53345	05/15/06	05/18/06	145.33	7.56 010	1201	9210	05411	Meals & Entertainment
123 IEXP-53349	05/15/06	05/18/06	1,856.34	96.53 010	1201	9210	05411	Meals & Entertainment

124 IEXP-53494	05/17/06	05/18/06	419.63	21.82 010	1001	9210	05411	Meals & Entertainment
125 IEXP-53527	05/17/06	05/22/06	38.18	1.99 010	1403	9210	05411	Meals & Entertainment
126 IEXP-53688	05/19/06	05/25/06	216.84	11.28 010	1501	9302	05411	Meals & Entertainment
127 IEXP-53694	05/19/06	05/22/06	675.54	35.13 010	1132	9210	05411	Meals & Entertainment
128 IEXP-53779	05/22/06	05/25/06	115.45	6.00 010	1133	9210	05411	Meals & Entertainment
129 IEXP-53805	05/23/06	05/25/06	273.85	14.24 010	1503	9210	05411	Meals & Entertainment
130 IEXP-53891	05/24/06	05/30/06	649.04	33.75 010	1201	9210	05411	Meals & Entertainment
131 IEXP-53892	05/24/06	05/30/06	845.21	43.95 010	1201	9210	05411	Meals & Entertainment
132 IEXP-53894	05/24/06	05/30/06	313.29	16.29 010	1201	9210	05411	Meals & Entertainment
133 IEXP-53895	05/24/06	05/30/06	141.72	7.37 010	1201	9210	05411	Meals & Entertainment
134 IEXP-53897	05/24/06	05/30/06	257.55	13.39 010	1201	9210	05411	Meals & Entertainment
135 IEXP-53898	05/24/06	05/30/06	705.25	36.87 010	1201	9210	05411	Meals & Entertainment
136 IEXP-53902	05/24/06	05/25/06	47.02	2.45 010	1106	9210	05411	Meals & Entertainment
137 IEXP-53940	05/25/06	05/30/06	1,005.79	52.30 010	1201	9210	05411	Meals & Entertainment
138 IEXP-53942	05/25/06	05/30/06	275.13	14.31 010	1201	9210	05411	Meals & Entertainment
139 IEXP-53943	05/25/06	05/30/06	806.25	41.93 010	1201	9210	05411	Meals & Entertainment
140 IEXP-54092	05/30/06	06/08/06	276.03	14.35 010	1134	9210	05411	Meals & Entertainment
141 IEXP-54202	05/31/06	06/08/06	155.94	8.11 010	1150	9210	05411	Meals & Entertainment
142 IEXP-54203	05/31/06	06/08/06	383.20	19.93 010	1150	9210	05411	Meals & Entertainment
143 IEXP-54204	05/31/06	06/08/06	832.00	43.26 010	1150	9210	05411	Meals & Entertainment
144 IEXP-54406	06/02/06	06/08/06	92.36	4.80 010	1501	9302	05411	Meals & Entertainment
145 IEXP-54552	06/05/06	06/08/06	46.32	2.41 010	1133	9210	05411	Meals & Entertainment
146 IEXP-54687	06/07/06	06/12/06	144.43	7.51 010	1502	9302	05411	Meals & Entertainment
147 IEXP-54815	06/09/06	06/12/06	7,215.24	375.19 010	1950	9200	05411	Meals & Entertainment
148 IEXP-54901	06/12/06	06/15/06	95.06	4.94 010	1953	9210	05411	Meals & Entertainment
149 IEXP-54901	06/12/06	06/15/06	188.13	9.78 010	1503	9210	05411	Meals & Entertainment
150 IEXP-55206	06/15/06	06/19/06	52.84	2.75 010	1134	9210	05411	Meals & Entertainment
151 IEXP-55210	06/15/06	06/19/06	640.48	33.30 010	1001	9210	05411	Meals & Entertainment
152 IEXP-55243	06/16/06	06/19/06	397.69	20.68 010	1101	9210	05411	Meals & Entertainment
153 IEXP-55302	06/16/06	06/22/06	686.39	35.69 010	1503	9210	05411	Meals & Entertainment
154 IEXP-55303	06/16/06	07/03/06	57.36	2.98 010	1133	9210	05411	Meals & Entertainment
155 IEXP-55443	06/20/06	07/03/06	1,754.29	91.22 010	1114	9210	05411	Meals & Entertainment
156 IEXP-55630	05/12/06	06/29/06	638.72	33.21 010	1150	9210	05411	Meals & Entertainment
157 IEXP-56623	07/06/06	07/13/06	664.83	34.57 010	1503	9210	05411	Meals & Entertainment
158 IEXP-56701	07/11/06	07/13/06	397.87	20.69 010	1134	9210	05411	Meals & Entertainment
159 IEXP-56859	07/12/06	07/13/06	85.64	4.45 010	1132	9210	05411	Meals & Entertainment
160 IEXP-56893	07/13/06	07/17/06	1,043.90	54.28 010	1201	9210	05411	Meals & Entertainment

161 IEXP-56894	07/13/06	07/17/06	339.09	17.63 010	1201	9210	05411	Meals & Entertainment
162 IEXP-57282	07/20/06	07/24/06	568.82	29.68 010	1503	9210	05411	Meals & Entertainment
163 IEXP-57363	07/21/06	07/27/06	18.77	0.98 010	1133	9210	05411	Meals & Entertainment
164 IEXP-57365	07/21/06	07/27/06	324.97	16.90 010	1101	9210	05411	Meals & Entertainment
165 IEXP-57683	07/26/06	08/03/06	2.27	0.12 010	1001	9210	05411	Meals & Entertainment
166 IEXP-57872	07/28/06	08/03/06	174.02	9.05 010	1501	9302	05411	Meals & Entertainment
167 IEXP-57893	07/28/06	08/03/06	45.99	2.39 010	1503	9210	05411	Meals & Entertainment
168 IEXP-57968	07/31/06	08/03/06	480.29	24.98 010	1501	9302	05411	Meals & Entertainment
169 IEXP-58073	08/01/06	08/03/06	1,631.27	84.83 010	1101	9210	05411	Meals & Entertainment
170 IEXP-58379	08/08/06	08/10/06	245.54	12.77 010	1502	9302	05411	Meals & Entertainment
171 IEXP-58509	08/08/06	08/10/06	565.43	29.40 010	1001	9210	05411	Meals & Entertainment
172 IEXP-59286	08/15/06	08/17/06	128.20	6.67 010	1106	9210	05411	Meals & Entertainment
173 IEXP-59503	08/18/06	08/24/06	6,156.45	320.14 010	1114	9210	05411	Meals & Entertainment
174 IEXP-59959	08/25/06	08/31/06	96.32	5.01 010	1101	9210	05411	Meals & Entertainment
175 IEXP-60116	08/25/06	08/31/06	276.54	14.38 010	1503	9210	05411	Meals & Entertainment
176 IEXP-60317	08/28/06	09/05/06	1,060.79	55.16 010	1501	9302	05411	Meals & Entertainment
177 IEXP-60540	08/30/06	09/05/06	363.79	18.92 010	1501	9302	05411	Meals & Entertainment
178 IEXP-61108	09/06/06	09/11/06	1,761.57	91.60 010	1201	9230	05411	Meals & Entertainment
179 IEXP-61159	09/07/06	09/11/06	143.62	7.47 010	1502	9302	05411	Meals & Entertainment
180 IEXP-61326	09/08/06	09/14/06	245.33	12.76 010	1132	9210	05411	Meals & Entertainment
181 IEXP-61898	09/13/06	09/21/06	586.64	30.51 010	1150	9210	05411	Meals & Entertainment
182 IEXP-61899	09/13/06	09/21/06	938.77	48.82 010	1150	9210	05411	Meals & Entertainment
183 IEXP-61962	09/13/06	09/21/06	1,433.66	74.55 010	1150	9210	05411	Meals & Entertainment
184 IEXP-62379	09/18/06	09/21/06	174.08	9.05 010	1503	9210	05411	Meals & Entertainment
185 IEXP-62655	09/20/06	09/21/06	13.89	0.72 010	1201	9210	05411	Meals & Entertainment

186 IEXP-62656	09/20/06	09/21/06	137.54	7.15 010	1201	9210	05411	Meals & Entertainment	
187 IEXP-62664	09/20/06	09/21/06	801.65	41.69 010	1201	9210	05411	Meals & Entertainment	
188 IEXP-62665	09/20/06	09/21/06	1,163.70	60.51 010	1201	9210	05411	Meals & Entertainment	
189 IEXP-62720	09/20/06	09/21/06	327.02	17.01 010	1201	9210	05411	Meals & Entertainment	
190 IEXP-63159	09/25/06	09/28/06	449.46	23.37 010	1503	9210	05411	Meals & Entertainment	6,460.78
191 EXP010406-1	01/04/06	01/17/06	229.40	11.93 010	1350	9210	05412	Spousal & Dependent Travel	
192 IEXP-66877	09/30/05	10/06/05	10.00	0.52 010	1201	9210	05412	Spousal & Dependent Travel	
193 IEXP-37083	10/04/05	10/06/05	10.00	0.52 010	1201	9210	05412	Spousal & Dependent Travel	
194 IEXP-53070	05/09/06	05/11/06	662.40	34.44 010	1201	9210	05412	Spousal & Dependent Travel	
195 IEXP-53071	05/09/06	05/11/06	1,607.10	83.57 010	1201	9210	05412	Spousal & Dependent Travel	
196 IEXP-53345	05/15/06	05/18/06	942.60	49.02 010	1201	9210	05412	Spousal & Dependent Travel	
197 IEXP-53349	05/15/06	05/18/06	10.00	0.52 010	1201	9210	05412	Spousal & Dependent Travel	
198 IEXP-53891	05/24/06	05/30/06	20.00	1.04 010	1201	9210	05412	Spousal & Dependent Travel	
199 IEXP-53892	05/24/06	05/30/06	609.30	31.68 010	1201	9210	05412	Spousal & Dependent Travel	
200 IEXP-53894	05/24/06	05/30/06	20.00	1.04 010	1201	9210	05412	Spousal & Dependent Travel	
201 IEXP-53895	05/24/06	05/30/06	1,031.70	53.65 010	1201	9210	05412	Spousal & Dependent Travel	
202 IEXP-53897	05/24/06	05/30/06	752.70	39.14 010	1201	9210	05412	Spousal & Dependent Travel	
203 IEXP-53898	05/24/06	05/30/06	12.50	0.65 010	1201	9210	05412	Spousal & Dependent Travel	
204 IEXP-53943	05/25/06	05/30/06	5.00	0.26 010	1201	9210	05412	Spousal & Dependent Travel	
205 IEXP-56893	07/13/06	07/17/06	692.10	35.99 010	1201	9210	05412	Spousal & Dependent Travel	
206 IEXP-62656	09/20/06	09/21/06	1,363.50	70.90 010	1201	9210	05412	Spousal & Dependent Travel	
207 IEXP-62664	09/20/06	09/21/06	93.70	4.87 010	1201	9210	05412	Spousal & Dependent Travel	
208 IEXP-62665	09/20/06	09/21/06	203.70	10.59 010	1201	9210	05412	Spousal & Dependent Travel	
209 IEXP-62720	09/20/06	09/21/06	641.10	33.34 010	1201	9210	05412	Spousal & Dependent Travel	
210 CHE011306	01/13/06	01/16/06	397.10	20.65 010	1001	9230	05413	Transportation	463.67
211 CHE030706	03/07/06	03/07/06	322.10	16.75 010	1001	9230	05413	Transportation	
212 CHE062906	06/29/06	06/29/06	1,396.70	72.63 010	1201	9210	05413	Transportation	
213 EXP010306	01/03/06	01/19/06	1,838.43	95.60 010	1350	9210	05413	Transportation	
214 EXP010406-1	01/04/06	01/17/06	1,459.42	75.89 010	1350	9210	05413	Transportation	
215 EXP012506	01/25/06	01/31/06	228.92	11.90 010	1350	9210	05413	Transportation	
216 EXP013106-1	01/31/06	02/22/06	531.14	27.62 010	1350	9210	05413	Transportation	
217 EXP021406-1	02/14/06	02/22/06	962.08	50.03 010	1350	9210	05413	Transportation	
218 EXP022806-1	02/28/06	04/10/06	848.68	44.13 010	1350	9210	05413	Transportation	



219	EXP02806-1	02/28/06	03/15/06	913.01	47.48 010	1350	9210	05413	Transportation
220	EXP033106-1	03/31/06	04/10/06	1,013.21	52.69 010	1350	9210	05413	Transportation
221	EXP033106-1	03/31/06	04/11/06	1,629.87	84.75 010	1350	9210	05413	Transportation
222	EXP043006-1	04/30/06	05/23/06	1,611.95	83.82 010	1350	9210	05413	Transportation
223	EXP063106-1	05/31/06	06/21/06	3,063.81	159.32 010	1350	9210	05413	Transportation
224	EXP063006	06/30/06	07/17/06	952.68	49.54 010	1350	9210	05413	Transportation
225	EXP083106-1	08/31/06	09/12/06	1,406.35	73.13 010	1350	9210	05413	Transportation
226	EXP103105	10/31/05	11/08/05	585.42	30.44 010	1350	9210	05413	Transportation
227	EXP111005-1	11/10/05	11/30/05	228.92	11.90 010	1350	9210	05413	Transportation
228	EXP111005-2	11/10/05	11/30/05	457.84	23.81 010	1350	9210	05413	Transportation
229	EXP120805	12/08/05	12/14/05	547.42	28.47 010	1350	9210	05413	Transportation
230	EXP121305	12/13/05	12/20/05	504.02	26.21 010	1350	9210	05413	Transportation
231	IEXP-36877	09/30/05	10/06/05	1,764.92	91.78 010	1201	9210	05413	Transportation
232	IEXP-37010	10/03/05	10/06/05	623.55	32.42 010	1130	9210	05413	Transportation
233	IEXP-37073	10/04/05	10/11/05	2,394.71	124.52 010	1503	9302	05413	Transportation
234	IEXP-37083	10/04/05	10/06/05	3,848.35	200.11 010	1201	9210	05413	Transportation
235	IEXP-37095	10/04/05	10/06/05	52.75	2.74 010	1201	9210	05413	Transportation
236	IEXP-37245	10/06/05	06/01/06	206.76	10.75 010	1114	9210	05413	Transportation
237	IEXP-37771	10/14/05	10/17/05	1,521.90	79.14 010	1106	9210	05413	Transportation
238	IEXP-37890	10/17/05	10/20/05	1,863.31	97.93 010	1001	9210	05413	Transportation
239	IEXP-38188	10/19/05	10/20/05	17.61	0.92 010	1134	9210	05413	Transportation
240	IEXP-38295	10/20/05	10/24/05	289.46	15.05 010	1134	9210	05413	Transportation
241	IEXP-38409	10/20/05	10/24/05	248.40	12.92 010	1403	9210	05413	Transportation
242	IEXP-38511	10/21/05	10/27/05	518.40	26.96 010	1501	9302	05413	Transportation
243	IEXP-38532	10/21/05	10/24/05	1,512.82	78.67 010	1132	9210	05413	Transportation
244	IEXP-39110	10/27/05	11/07/05	1,034.90	53.81 010	1101	9260	05413	Transportation
245	IEXP-40648	11/09/05	11/14/05	8.00	0.42 010	1502	9302	05413	Transportation

246 IEXP-41480	11/17/05	11/21/05	1,493.40	77.66 010	1106	9210	05413	Transportation
247 IEXP-41512	11/17/05	11/21/05	19.55	1.02 010	1132	9210	05413	Transportation
248 IEXP-41595	11/18/05	11/21/05	302.91	15.75 010	1134	9210	05413	Transportation
249 IEXP-41825	11/21/05	12/01/05	74.93	3.90 010	1501	9302	05413	Transportation
250 IEXP-41877	11/22/05	11/23/05	592.80	30.83 010	1501	9302	05413	Transportation
251 IEXP-41878	11/22/05	11/23/05	350.00	18.20 010	1501	9302	05413	Transportation
252 IEXP-42136	11/29/05	06/01/06	19.40	1.01 010	1114	9210	05413	Transportation
253 IEXP-43450	12/13/05	12/15/05	90.59	4.71 010	1134	9210	05413	Transportation
254 IEXP-43607	12/14/05	12/15/05	1,216.90	63.28 010	1106	9210	05413	Transportation
255 IEXP-43689	12/15/05	12/19/05	540.10	28.09 010	1101	9210	05413	Transportation
256 IEXP-43690	12/15/05	12/22/05	1,932.40	100.48 010	1503	9210	05413	Transportation
257 IEXP-43738	12/16/05	12/22/05	1,989.90	103.47 010	1001	9210	05413	Transportation
258 IEXP-43995	12/20/05	12/22/05	583.98	30.37 010	1132	9210	05413	Transportation
259 IEXP-44647	01/04/06	06/01/06	540.75	28.12 010	1114	9210	05413	Transportation
260 IEXP-45229	01/11/06	01/16/06	973.93	50.64 010	1501	9302	05413	Transportation
261 IEXP-46607	01/27/06	01/30/06	1,576.00	81.95 010	1106	9210	05413	Transportation
262 IEXP-47326	02/03/06	02/06/06	223.60	11.63 010	1501	9302	05413	Transportation
263 IEXP-48049	02/13/06	02/16/06	484.30	25.18 010	1403	9210	05413	Transportation
264 IEXP-48386	02/17/06	02/21/06	2,773.21	144.21 010	1150	9210	05413	Transportation
265 IEXP-48390	02/17/06	02/21/06	1,174.20	61.06 010	1150	9210	05413	Transportation
266 IEXP-48392	02/17/06	02/21/06	1,322.00	68.74 010	1150	9210	05413	Transportation
267 IEXP-48543	02/21/06	02/23/06	194.60	10.12 010	1133	9210	05413	Transportation
268 IEXP-48564	02/21/06	02/23/06	2,604.86	135.45 010	1132	9210	05413	Transportation
269 IEXP-48639	02/22/06	03/02/06	1,540.30	80.10 010	1001	9210	05413	Transportation
270 IEXP-48854	02/27/06	06/01/06	263.50	13.70 010	1114	9210	05413	Transportation
271 IEXP-48860	02/27/06	03/02/06	229.60	11.94 010	1106	9210	05413	Transportation
272 IEXP-48967	02/28/06	03/02/06	1,885.14	98.03 010	1503	9210	05413	Transportation
273 IEXP-49110	03/02/06	03/06/06	18.86	0.98 010	1501	9302	05413	Transportation

274 IEXP-49581	03/10/06	03/13/06	3,475.10	180.71 010	1101	9210	05413	Transportation
275 IEXP-50101	03/20/06	03/23/06	996.07	51.80 010	1106	9210	05413	Transportation
276 IEXP-50203	03/22/06	03/23/06	570.74	29.68 010	1501	9302	05413	Transportation
277 IEXP-50432	03/27/06	03/30/06	58.50	3.04 010	1403	9210	05413	Transportation
278 IEXP-50527	03/28/06	03/30/06	1,379.42	71.73 010	1501	9302	05413	Transportation
279 IEXP-50654	03/30/06	04/03/06	762.30	39.64 010	1132	9210	05413	Transportation
280 IEXP-50749	03/31/06	06/01/06	940.20	48.89 010	1114	9210	05413	Transportation
281 IEXP-50776	03/31/06	04/03/06	251.60	13.08 010	1133	9210	05413	Transportation
282 IEXP-50836	04/03/06	04/06/06	2,686.47	139.70 010	1503	9210	05413	Transportation
283 IEXP-51025	04/05/06	04/06/06	456.70	23.75 010	1101	9210	05413	Transportation
284 IEXP-51041	04/05/06	04/06/06	1,233.56	64.15 010	1150	9210	05413	Transportation
285 IEXP-51042	04/05/06	04/06/06	1,418.60	73.77 010	1150	9210	05413	Transportation
286 IEXP-51398	04/11/06	04/13/06	1,077.52	56.03 010	1503	9210	05413	Transportation
287 IEXP-51467	04/12/06	04/13/06	385.20	20.03 010	1403	9210	05413	Transportation
288 IEXP-51653	04/17/06	04/20/06	4,414.90	229.57 010	1001	9210	05413	Transportation
289 IEXP-51794	04/19/06	04/27/06	518.68	26.97 010	1501	9302	05413	Transportation
290 IEXP-52142	04/25/06	04/27/06	500.60	26.03 010	1133	9302	05413	Transportation
291 IEXP-52554	05/02/06	05/04/06	2,057.80	107.01 010	1101	9210	05413	Transportation
292 IEXP-52688	05/03/06	05/04/06	826.20	42.96 010	1503	9210	05413	Transportation
293 IEXP-53029	05/09/06	05/11/06	972.55	50.57 010	1503	9210	05413	Transportation
294 IEXP-53070	05/09/06	05/11/06	3,448.50	179.32 010	1201	9210	05413	Transportation
295 IEXP-53071	05/09/06	05/11/06	3,395.11	176.55 010	1201	9210	05413	Transportation
296 IEXP-53249	05/12/06	05/18/06	1,604.45	83.43 010	1106	9210	05413	Transportation
297 IEXP-53331	05/15/06	05/18/06	831.24	43.22 010	1201	9210	05413	Transportation
298 IEXP-53345	05/15/06	05/18/06	2,554.35	132.83 010	1201	9210	05413	Transportation
299 IEXP-53349	05/15/06	05/18/06	1,122.91	58.39 010	1201	9210	05413	Transportation
300 IEXP-53494	05/17/06	05/18/06	1,030.90	53.61 010	1001	9210	05413	Transportation
301 IEXP-53527	05/17/06	05/22/06	274.60	14.28 010	1403	9210	05413	Transportation
302 IEXP-53688	05/19/06	05/25/06	229.60	11.94 010	1501	9302	05413	Transportation
303 IEXP-53694	05/19/06	05/22/06	2,981.89	155.06 010	1132	9210	05413	Transportation

304 IEXP-53779	05/22/06	05/25/06	415.00	21.58 010	1133	9210	05413	Transportation
305 IEXP-53805	05/23/06	05/25/06	605.60	31.49 010	1503	9210	05413	Transportation
306 IEXP-53889	05/24/06	05/30/06	73.20	3.81 010	1201	9210	05413	Transportation
307 IEXP-53891	05/24/06	05/30/06	1,975.91	102.75 010	1201	9210	05413	Transportation
308 IEXP-53892	05/24/06	05/30/06	699.30	96.36 010	1201	9210	05413	Transportation
309 IEXP-53894	05/24/06	05/30/06	1,899.86	95.79 010	1201	9210	05413	Transportation
310 IEXP-53895	05/24/06	05/30/06	1,837.41	95.55 010	1201	9210	05413	Transportation
311 IEXP-53897	05/24/06	05/30/06	2,501.34	130.07 010	1201	9210	05413	Transportation
312 IEXP-53898	05/24/06	05/30/06	1,570.67	81.67 010	1201	9210	05413	Transportation
313 IEXP-53902	05/24/06	05/25/06	1,431.95	74.46 010	1106	9210	05413	Transportation
314 IEXP-53942	05/25/06	05/30/06	293.61	15.27 010	1201	9210	05413	Transportation
315 IEXP-53943	05/25/06	05/30/06	1,191.80	61.97 010	1201	9210	05413	Transportation
316 IEXP-54092	05/30/06	06/08/06	727.20	37.81 010	1134	9210	05413	Transportation
317 IEXP-54202	05/31/06	06/08/06	657.50	34.19 010	1150	9210	05413	Transportation
318 IEXP-54203	05/31/06	06/08/06	1,535.48	79.84 010	1150	9210	05413	Transportation
319 IEXP-54204	05/31/06	06/08/06	1,318.60	68.57 010	1150	9210	05413	Transportation
320 IEXP-54406	06/02/06	06/08/06	572.11	29.75 010	1501	9302	05413	Transportation
321 IEXP-54901	06/12/06	06/15/06	22.63	1.18 010	1503	9210	05413	Transportation
322 IEXP-55210	06/15/06	06/19/06	1,418.60	73.77 010	1001	9210	05413	Transportation
323 IEXP-55243	06/16/06	06/19/06	3,994.19	207.70 010	1101	9210	05413	Transportation
324 IEXP-55302	06/16/06	06/22/06	25.62	1.33 010	1503	9210	05413	Transportation
325 IEXP-55443	06/20/06	07/03/06	256.08	13.32 010	1114	9210	05413	Transportation
326 IEXP-55630	05/12/06	06/29/06	3,176.45	165.18 010	1150	9210	05413	Transportation
327 IEXP-56523	07/06/06	07/13/06	622.10	32.35 010	1503	9210	05413	Transportation
328 IEXP-56859	07/12/06	07/13/06	2,583.70	134.35 010	1132	9210	05413	Transportation
329 IEXP-56893	07/13/06	07/17/06	1,590.15	82.69 010	1201	9210	05413	Transportation
330 IEXP-56894	07/13/06	07/17/06	853.09	44.36 010	1201	9210	05413	Transportation
331 IEXP-56907	07/13/06	07/17/06	1,427.50	74.23 010	1106	9210	05413	Transportation
332 IEXP-57282	07/20/06	07/24/06	868.21	45.15 010	1503	9210	05413	Transportation
333 IEXP-57363	07/21/06	07/27/06	313.10	16.28 010	1133	9210	05413	Transportation
334 IEXP-57365	07/21/06	07/27/06	310.00	16.12 010	1101	9210	05413	Transportation
335 IEXP-57683	07/26/06	08/03/06	6,790.70	353.12 010	1001	9210	05413	Transportation
336 IEXP-57872	07/28/06	08/03/06	639.93	33.28 010	1501	9302	05413	Transportation
337 IEXP-57893	07/28/06	08/03/06	1,235.77	64.26 010	1503	9210	05413	Transportation
338 IEXP-57968	07/31/06	08/03/06	379.16	19.72 010	1501	9302	05413	Transportation
339 IEXP-58509	08/08/06	08/10/06	1,220.60	63.47 010	1001	9210	05413	Transportation
340 IEXP-59286	08/15/06	08/17/06	701.10	36.46 010	1106	9210	05413	Transportation

341 IEXP-59503	08/18/06	08/24/06	992.55	51.61 010	1114	9210	05413	Transportation	
342 IEXP-59959	08/25/06	08/31/06	1,761.50	91.60 010	1101	9210	05413	Transportation	
343 IEXP-60022	08/24/06	08/28/06	450.30	23.42 010	1133	9210	05413	Transportation	
344 IEXP-60116	08/25/06	08/31/06	978.21	50.87 010	1503	9210	05413	Transportation	
345 IEXP-60317	08/28/06	09/05/06	293.60	15.27 010	1501	9302	05413	Transportation	
346 IEXP-60540	08/30/06	09/05/06	238.10	12.38 010	1501	9302	05413	Transportation	
347 IEXP-61108	09/06/06	09/11/06	3,793.41	197.26 010	1201	9230	05413	Transportation	
348 IEXP-61326	09/09/06	09/14/06	888.80	46.22 010	1132	9210	05413	Transportation	
349 IEXP-61998	09/13/06	09/21/06	1,134.81	59.01 010	1150	9210	05413	Transportation	
350 IEXP-61999	09/13/06	09/21/06	517.03	26.89 010	1150	9210	05413	Transportation	
351 IEXP-61962	09/13/06	09/21/06	229.60	11.94 010	1150	9210	05413	Transportation	
352 IEXP-62379	09/18/06	09/21/06	1,006.74	52.35 010	1503	9210	05413	Transportation	
353 IEXP-62655	09/20/06	09/21/06	29.01	1.51 010	1201	9210	05413	Transportation	
354 IEXP-62656	09/20/06	09/21/06	1,995.36	103.76 010	1201	9210	05413	Transportation	
355 IEXP-62664	09/20/06	09/21/06	724.77	37.69 010	1201	9210	05413	Transportation	
356 IEXP-62665	09/20/06	09/21/06	1,748.25	90.91 010	1201	9210	05413	Transportation	
357 IEXP-62720	09/20/06	09/21/06	808.27	42.03 010	1201	9210	05413	Transportation	
358 IEXP-63159	09/25/06	09/28/06	740.90	38.53 010	1503	9210	05413	Transportation	
359 CHE062906	06/29/06	06/29/06	158.29	8.23 010	1201	9210	05414	Lodging	8,858.68
360 EXP010306	01/03/06	01/19/06	961.52	50.00 010	1350	9210	05414	Lodging	
361 EXP010406-1	01/04/06	01/17/06	904.45	47.03 010	1350	9210	05414	Lodging	
362 EXP013106-1	01/31/06	02/22/06	125.35	6.52 010	1350	9210	05414	Lodging	
363 EXP021406-1	02/14/06	02/22/06	547.40	28.46 010	1350	9210	05414	Lodging	
364 EXP022806-1	02/28/06	04/10/06	560.05	29.12 010	1350	9210	05414	Lodging	
365 EXP022806-1	02/28/06	03/15/06	710.00	36.92 010	1350	9210	05414	Lodging	
366 EXP033106-1	03/31/06	04/10/06	269.84	14.03 010	1350	9210	05414	Lodging	
367 EXP033106-1	03/31/06	04/11/06	372.19	19.35 010	1350	9210	05414	Lodging	

368 EXP043006-1	04/30/06	05/23/06	273.70	14.23 010	1350	9210	05414	Lodging
369 EXP053106-1	05/31/06	06/21/06	410.55	21.35 010	1350	9210	05414	Lodging
370 EXP063006	06/30/06	07/17/06	136.85	7.12 010	1350	9210	05414	Lodging
371 EXP083106-1	08/31/06	09/12/06	1,130.45	58.78 010	1350	9210	05414	Lodging
372 EXP103105	10/31/05	11/08/05	154.10	8.01 010	1350	9210	05414	Lodging
373 EXP111005-1	11/10/05	11/30/05	154.10	8.01 010	1350	9210	05414	Lodging
374 EXP111005-2	11/10/05	11/30/05	308.20	16.03 010	1350	9210	05414	Lodging
375 EXP120805	12/08/05	12/14/05	308.20	16.03 010	1350	9210	05414	Lodging
376 EXP121305	12/13/05	12/20/05	574.03	29.85 010	1350	9210	05414	Lodging
377 IEXP-36877	09/30/05	10/06/05	202.27	10.52 010	1201	9210	05414	Lodging
378 IEXP-37073	10/04/05	10/11/05	1,605.33	83.48 010	1503	9302	05414	Lodging
379 IEXP-37083	10/04/05	10/06/05	119.48	6.21 010	1201	9210	05414	Lodging
380 IEXP-37245	10/06/05	06/01/06	224.87	11.69 010	1114	9210	05414	Lodging
381 IEXP-37771	10/14/05	10/17/05	1,458.40	75.84 010	1106	9210	05414	Lodging
382 IEXP-37890	10/17/05	10/20/05	1,530.01	79.56 010	1001	9210	05414	Lodging
383 IEXP-38295	10/20/05	10/24/05	541.27	28.15 010	1134	9210	05414	Lodging
384 IEXP-38532	10/21/05	10/24/05	1,266.43	65.85 010	1132	9210	05414	Lodging
385 IEXP-39110	10/27/05	11/07/05	875.76	45.54 010	1101	9260	05414	Lodging
386 IEXP-41480	11/17/05	11/21/05	240.45	12.50 010	1106	9210	05414	Lodging
387 IEXP-41595	11/18/05	11/21/05	104.34	5.43 010	1134	9210	05414	Lodging
388 IEXP-41877	11/22/05	11/23/05	260.00	13.52 010	1501	9302	05414	Lodging
389 IEXP-42609	12/02/05	12/05/05	198.12	10.30 010	1133	9210	05414	Lodging
390 IEXP-43607	12/14/05	12/15/05	1,360.33	70.74 010	1106	9210	05414	Lodging

391 IEXP-43690	12/15/05	12/22/05	559.92	29.12 010	1503	9210	05414	Lodging
392 IEXP-43738	12/16/05	12/22/05	1,966.04	102.23 010	1001	9210	05414	Lodging
393 IEXP-43995	12/20/05	12/22/05	1,292.14	67.19 010	1132	9210	05414	Lodging
394 IEXP-44647	01/04/06	06/01/06	157.95	8.21 010	1114	9210	05414	Lodging
395 IEXP-45229	01/11/06	01/16/06	183.89	9.56 010	1501	9302	05414	Lodging
396 IEXP-45532	01/13/06	01/19/06	1,507.19	78.37 010	1101	9210	05414	Lodging
397 IEXP-46607	01/27/06	01/30/06	354.32	18.42 010	1106	9210	05414	Lodging
398 IEXP-48049	02/13/06	02/16/06	111.29	5.79 010	1403	9210	05414	Lodging
399 IEXP-48386	02/17/06	02/21/06	382.66	19.90 010	1150	9210	05414	Lodging
400 IEXP-48564	02/21/06	02/23/06	404.70	21.04 010	1132	9210	05414	Lodging
401 IEXP-48639	02/22/06	03/02/06	253.90	13.20 010	1001	9210	05414	Lodging
402 IEXP-48967	02/28/06	03/02/06	938.31	48.79 010	1503	9210	05414	Lodging
403 IEXP-49581	03/10/06	03/13/06	48.17	2.50 010	1101	9210	05414	Lodging
404 IEXP-50101	03/20/06	03/23/06	375.50	19.53 010	1106	9210	05414	Lodging
405 IEXP-50432	03/27/06	03/30/06	516.48	26.86 010	1403	9210	05414	Lodging
406 IEXP-50654	03/30/06	04/03/06	972.13	50.55 010	1132	9210	05414	Lodging
407 IEXP-50836	04/03/06	04/06/06	2,355.24	122.47 010	1503	9210	05414	Lodging
408 IEXP-51025	04/05/06	04/06/06	744.85	38.73 010	1101	9210	05414	Lodging
409 IEXP-51041	04/05/06	04/06/06	387.42	20.15 010	1150	9210	05414	Lodging
410 IEXP-51042	04/05/06	04/06/06	111.29	5.79 010	1150	9210	05414	Lodging
411 IEXP-51398	04/11/06	04/13/06	160.24	8.33 010	1503	9210	05414	Lodging
412 IEXP-51467	04/12/06	04/13/06	394.62	20.52 010	1403	9210	05414	Lodging
413 IEXP-51653	04/17/06	04/20/06	1,020.15	53.05 010	1001	9210	05414	Lodging
414 IEXP-52142	04/25/06	04/27/06	945.89	49.19 010	1133	9302	05414	Lodging

415 IEXP-52554	05/02/06	05/04/06	398.52	20.72 010	1101	9210	05414	Lodging
416 IEXP-52688	05/03/06	05/04/06	1,169.90	60.83 010	1503	9210	05414	Lodging
417 IEXP-53029	05/09/06	05/11/06	194.35	10.11 010	1503	9210	05414	Lodging
418 IEXP-53070	05/09/06	05/11/06	505.14	26.27 010	1201	9210	05414	Lodging
419 IEXP-53071	05/09/06	05/11/06	231.59	12.04 010	1201	9210	05414	Lodging
420 IEXP-53249	05/12/06	05/18/06	1,042.26	54.20 010	1106	9210	05414	Lodging
421 IEXP-53331	05/15/06	05/18/06	961.52	50.00 010	1201	9210	05414	Lodging
422 IEXP-53345	05/15/06	05/18/06	229.50	11.93 010	1201	9210	05414	Lodging
423 IEXP-53349	05/15/06	05/18/06	984.53	51.20 010	1201	9210	05414	Lodging
424 IEXP-53494	05/17/06	05/18/06	947.58	49.27 010	1001	9210	05414	Lodging
425 IEXP-53694	05/19/06	05/22/06	960.14	49.93 010	1132	9210	05414	Lodging
426 IEXP-53779	05/22/06	05/25/06	457.79	23.81 010	1133	9210	05414	Lodging
427 IEXP-53805	05/23/06	05/25/06	159.64	8.30 010	1503	9210	05414	Lodging
428 IEXP-53891	05/24/06	05/30/06	94.61	4.92 010	1201	9210	05414	Lodging
429 IEXP-53892	05/24/06	05/30/06	1,449.59	75.38 010	1201	9210	05414	Lodging
430 IEXP-53894	05/24/06	05/30/06	198.12	10.30 010	1201	9210	05414	Lodging
431 IEXP-53895	05/24/06	05/30/06	111.29	5.79 010	1201	9210	05414	Lodging
432 IEXP-53897	05/24/06	05/30/06	111.18	5.78 010	1201	9210	05414	Lodging
433 IEXP-53898	05/24/06	05/30/06	917.62	47.72 010	1201	9210	05414	Lodging
434 IEXP-53902	05/24/06	05/25/06	444.53	23.12 010	1106	9210	05414	Lodging
435 IEXP-53942	05/25/06	05/30/06	162.63	8.46 010	1201	9210	05414	Lodging
436 IEXP-53943	05/25/06	05/30/06	469.38	24.41 010	1201	9210	05414	Lodging
437 IEXP-54204	05/31/06	06/08/06	156.45	8.14 010	1150	9210	05414	Lodging
438 IEXP-55210	06/15/06	06/19/06	982.42	51.09 010	1001	9210	05414	Lodging
439 IEXP-55243	06/16/06	06/19/06	658.68	34.25 010	1101	9210	05414	Lodging
440 IEXP-55302	06/16/06	06/22/06	136.85	7.12 010	1503	9210	05414	Lodging
441 IEXP-55443	06/20/06	07/03/06	202.48	10.53 010	1114	9210	05414	Lodging
442 IEXP-55630	05/12/06	06/29/06	523.24	27.21 010	1150	9210	05414	Lodging
443 IEXP-56523	07/06/06	07/13/06	1,216.72	63.27 010	1503	9210	05414	Lodging
444 IEXP-56859	07/12/06	07/13/06	434.44	22.59 010	1132	9210	05414	Lodging
445 IEXP-56893	07/13/06	07/17/06	102.35	5.32 010	1201	9210	05414	Lodging
446 IEXP-56907	07/13/06	07/17/06	275.37	14.32 010	1106	9210	05414	Lodging
447 IEXP-57282	07/20/06	07/24/06	548.10	28.50 010	1503	9210	05414	Lodging
448 IEXP-57363	07/21/06	07/27/06	234.03	12.17 010	1133	9210	05414	Lodging



449 IEXP-57365	07/21/06	07/27/06	2,619.33	136.21 010	1101	9210	05414	Lodging	
450 IEXP-57683	07/26/06	08/03/06	158.29	8.23 010	1001	9210	05414	Lodging	
451 IEXP-57872	07/28/06	08/03/06	1,566.10	81.44 010	1501	9302	05414	Lodging	
452 IEXP-58073	08/01/06	08/03/06	345.21	17.95 010	1101	9210	05414	Lodging	
453 IEXP-58509	08/08/06	08/10/06	266.53	13.86 010	1001	9210	05414	Lodging	
454 IEXP-59286	08/15/06	08/17/06	354.58	18.44 010	1106	9210	05414	Lodging	
455 IEXP-59503	08/18/06	08/24/06	929.65	48.34 010	1114	9210	05414	Lodging	
456 IEXP-60116	08/25/06	08/31/06	140.12	7.29 010	1503	9210	05414	Lodging	
457 IEXP-61108	09/06/06	09/11/06	351.62	18.28 010	1201	9230	05414	Lodging	
458 IEXP-61326	09/08/06	09/14/06	384.50	19.99 010	1132	9210	05414	Lodging	
459 IEXP-61898	09/13/06	09/21/06	336.93	17.52 010	1150	9210	05414	Lodging	
460 IEXP-61899	09/13/06	09/21/06	885.28	46.03 010	1150	9210	05414	Lodging	
461 IEXP-61962	09/13/06	09/21/06	474.87	24.69 010	1150	9210	05414	Lodging	
462 IEXP-62379	09/18/06	09/21/06	123.17	6.40 010	1503	9210	05414	Lodging	
463 IEXP-62656	09/20/06	09/21/06	624.95	32.50 010	1201	9210	05414	Lodging	
464 IEXP-62664	09/20/06	09/21/06	467.71	24.32 010	1201	9210	05414	Lodging	
465 IEXP-62665	09/20/06	09/21/06	158.81	8.26 010	1201	9210	05414	Lodging	
466 IEXP-62720	09/20/06	09/21/06	99.06	5.15 010	1201	9210	05414	Lodging	
467 IEXP-37245	10/06/05	06/01/06	180.00	9.36 010	1114	9210	05415	Membership Fees	3,231.79
468 IEXP-41480	11/17/05	11/21/05	750.00	39.00 010	1106	9210	05415	Membership Fees	
469 IEXP-43607	12/14/05	12/15/05	795.00	41.34 010	1106	9210	05415	Membership Fees	
470 IEXP-46607	01/27/06	01/30/06	200.00	10.40 010	1106	9210	05415	Membership Fees	
471 IEXP-48386	02/17/06	02/21/06	1,181.59	61.44 010	1150	9210	05415	Membership Fees	
472 IEXP-48854	02/27/06	06/01/06	270.00	14.04 010	1114	9210	05415	Membership Fees	
473 IEXP-48860	02/27/06	03/02/06	1,395.00	72.54 010	1106	9210	05415	Membership Fees	
474 IEXP-50101	03/20/06	03/23/06	695.00	36.14 010	1106	9210	05415	Membership Fees	
475 IEXP-51041	04/05/06	04/06/06	645.40	33.56 010	1150	9210	05415	Membership Fees	
476 IEXP-51042	04/05/06	04/06/06	707.40	36.78 010	1150	9210	05415	Membership Fees	

477 IEXP-52142	04/25/06	04/27/06	399.00	20.75 010	1133	9302	05415	Membership Fees	
478 IEXP-53027	05/09/06	05/11/06	345.00	17.94 010	1502	9302	05415	Membership Fees	
479 IEXP-53694	05/19/06	05/22/06	375.00	19.50 010	1132	9210	05415	Membership Fees	
480 IEXP-54204	05/31/06	06/08/06	175.00	9.10 010	1150	9210	05415	Membership Fees	
481 IEXP-54687	06/07/06	06/12/06	5,200.00	270.40 010	1502	9302	05415	Membership Fees	
482 IEXP-56859	07/12/06	07/13/06	690.00	35.88 010	1132	9210	05415	Membership Fees	
483 IEXP-56907	07/13/06	07/17/06	750.00	39.00 010	1106	9210	05415	Membership Fees	
484 IEXP-59286	08/15/06	08/17/06	550.00	28.60 010	1106	9210	05415	Membership Fees	
485 IEXP-61898	09/13/06	09/21/06	1,672.20	86.95 010	1150	9210	05415	Membership Fees	915.23
486 IEXP-61962	09/13/06	09/21/06	625.00	32.50 010	1150	9210	05415	Membership Fees	
487 EXP010306	01/03/06	01/19/06	382.11	19.87 010	1350	9210	05416	Club Dues - Nondeductible	
488 EXP021406-1	02/14/06	02/22/06	382.11	19.87 010	1350	9210	05416	Club Dues - Nondeductible	
489 EXP022806-1	02/28/06	04/10/06	391.55	20.36 010	1350	9210	05416	Club Dues - Nondeductible	
490 EXP033106-2	03/31/06	05/26/06	398.54	20.72 010	1350	9210	05416	Club Dues - Nondeductible	
491 EXP111005-1	11/10/05	11/30/05	409.12	21.27 010	1350	9210	05416	Club Dues - Nondeductible	
492 EXP111005-2	11/10/05	11/30/05	369.12	19.19 010	1350	9210	05416	Club Dues - Nondeductible	
493 EXP121305	12/13/05	12/20/05	369.12	19.19 010	1350	9210	05416	Club Dues - Nondeductible	140.49
494 CHE062906	06/29/06	06/29/06	45.00	2.34 010	1201	9210	05419	Misc Employee Expense	
495 IEXP-36877	09/30/05	10/06/05	78.00	4.06 010	1201	9210	05419	Misc Employee Expense	
496 IEXP-37083	10/04/05	10/06/05	3,801.46	197.68 010	1201	9210	05419	Misc Employee Expense	
497 IEXP-37095	10/04/05	10/06/05	460.00	23.92 010	1201	9210	05419	Misc Employee Expense	
498 IEXP-37245	10/06/05	06/01/06	-717.28	-37.30 010	1114	9210	05419	Misc Employee Expense	
499 IEXP-37245	10/06/05	10/11/05	717.28	37.30 010	1114	9210	05419	Misc Employee Expense	
500 IEXP-37771	10/14/05	10/17/05	113.00	5.88 010	1106	9210	05419	Misc Employee Expense	
501 IEXP-38511	10/21/05	10/27/05	412.78	21.46 010	1503	9302	05419	Misc Employee Expense	
502 IEXP-39783	11/02/05	12/01/05	6,801.05	353.65 010	1150	8700	05419	Misc Employee Expense	

503 IEXP-40110	11/04/05	12/01/05	4,276.37	222.37 010	1150	8700	05419	Misc Employee Expense
504 IEXP-41877	11/22/05	11/23/05	248.98	12.95 010	1501	9302	05419	Misc Employee Expense
505 IEXP-41878	11/22/05	11/23/05	425.70	22.14 010	1501	9302	05419	Misc Employee Expense
506 IEXP-42136	11/29/05	06/01/06	-5,071.91	-263.74 010	1114	9210	05419	Misc Employee Expense
507 IEXP-42136	11/29/05	12/08/05	5,071.91	263.74 010	1114	9210	05419	Misc Employee Expense
508 IEXP-43607	12/14/05	12/15/05	11.50	0.60 010	1106	9210	05419	Misc Employee Expense
509 IEXP-44647	01/04/06	06/01/06	-2,993.74	-155.67 010	1114	9210	05419	Misc Employee Expense
510 IEXP-44647	01/04/06	01/12/06	2,993.74	155.67 010	1114	9210	05419	Misc Employee Expense
511 IEXP-45271	01/11/06	01/19/06	100.00	5.20 010	1501	9302	05419	Misc Employee Expense
512 IEXP-45271	01/11/06	01/19/06	101.55	5.28 010	1502	9302	05419	Misc Employee Expense
513 IEXP-46607	01/27/06	01/30/06	33.50	1.74 010	1106	9210	05419	Misc Employee Expense
514 IEXP-47326	02/03/06	02/06/06	14.63	0.76 010	1501	9302	05419	Misc Employee Expense
515 IEXP-48049	02/13/06	02/16/06	1,995.00	103.74 010	1403	9210	05419	Misc Employee Expense
516 IEXP-48386	02/17/06	02/21/06	436.00	22.67 010	1150	9210	05419	Misc Employee Expense
517 IEXP-48390	02/17/06	02/21/06	67.00	3.48 010	1150	9210	05419	Misc Employee Expense
518 IEXP-48392	02/17/06	02/21/06	65.00	3.38 010	1150	9210	05419	Misc Employee Expense
519 IEXP-48543	02/21/06	02/23/06	310.00	16.12 010	1133	9210	05419	Misc Employee Expense
520 IEXP-48564	02/21/06	02/23/06	21.65	1.13 010	1132	9210	05419	Misc Employee Expense
521 IEXP-48854	02/27/06	06/01/06	-6,410.39	-333.34 010	1114	9210	05419	Misc Employee Expense
522 IEXP-48854	02/27/06	03/02/06	6,410.39	333.34 010	1114	9210	05419	Misc Employee Expense
523 IEXP-48860	02/27/06	03/02/06	19.00	0.99 010	1106	9210	05419	Misc Employee Expense
524 IEXP-50101	03/20/06	03/23/06	111.52	5.80 010	1106	9210	05419	Misc Employee Expense
525 IEXP-50203	03/22/06	03/23/06	100.62	5.23 010	1501	9302	05419	Misc Employee Expense
526 IEXP-50432	03/27/06	03/30/06	19.00	0.99 010	1403	9210	05419	Misc Employee Expense
527 IEXP-50654	03/30/06	04/03/06	6.00	0.31 010	1132	9210	05419	Misc Employee Expense
528 IEXP-50749	03/31/06	06/01/06	-1,126.95	-58.60 010	1114	9210	05419	Misc Employee Expense
529 IEXP-50749	03/31/06	09/01/06	-595.00	-30.94 010	1114	9210	05419	Misc Employee Expense
530 IEXP-50749	03/31/06	04/03/06	1,721.95	89.54 010	1114	9210	05419	Misc Employee Expense
531 IEXP-51041	04/05/06	04/06/06	107.00	5.56 010	1150	9210	05419	Misc Employee Expense
532 IEXP-51467	04/12/06	04/13/06	14.16	0.74 010	1403	9210	05419	Misc Employee Expense
533 IEXP-52183	04/26/06	04/27/06	81.17	4.22 010	1134	9210	05419	Misc Employee Expense
534 IEXP-53070	05/09/06	05/11/06	80.00	4.16 010	1201	9210	05419	Misc Employee Expense
535 IEXP-53071	05/09/06	05/11/06	126.00	6.55 010	1201	9210	05419	Misc Employee Expense
536 IEXP-53249	05/12/06	05/18/06	58.32	3.03 010	1106	9210	05419	Misc Employee Expense

537 IEXP-53331	05/15/06	05/18/06	1,281.93	66.66 010	1201	9210	05419	Misc Employee Expense
538 IEXP-53333	05/15/06	05/18/06	469.81	24.43 010	1201	9210	05419	Misc Employee Expense
539 IEXP-53345	05/15/06	05/18/06	46.00	2.39 010	1201	9210	05419	Misc Employee Expense
540 IEXP-53349	05/15/06	05/18/06	1,175.00	61.10 010	1201	9210	05419	Misc Employee Expense
541 IEXP-53527	05/17/06	05/22/06	2.00	0.10 010	1403	9210	05419	Misc Employee Expense
542 IEXP-53891	05/24/06	05/30/06	15.00	0.78 010	1201	9210	05419	Misc Employee Expense
543 IEXP-53892	05/24/06	05/30/06	114.24	5.94 010	1201	9210	05419	Misc Employee Expense
544 IEXP-53894	05/24/06	05/30/06	30.00	1.56 010	1201	9210	05419	Misc Employee Expense
545 IEXP-53895	05/24/06	05/30/06	196.02	10.19 010	1201	9210	05419	Misc Employee Expense
546 IEXP-53897	05/24/06	05/30/06	193.97	10.09 010	1201	9210	05419	Misc Employee Expense
547 IEXP-53898	05/24/06	05/30/06	90.00	4.68 010	1201	9210	05419	Misc Employee Expense
548 IEXP-53902	05/24/06	05/25/06	20.56	1.07 010	1106	9210	05419	Misc Employee Expense
549 IEXP-53940	05/25/06	05/30/06	304.46	15.83 010	1201	9210	05419	Misc Employee Expense
550 IEXP-53942	05/25/06	05/30/06	18.09	0.94 010	1201	9210	05419	Misc Employee Expense
551 IEXP-53943	05/25/06	05/30/06	110.36	5.74 010	1201	9210	05419	Misc Employee Expense
552 IEXP-54202	05/31/06	06/08/06	20.00	1.04 010	1150	9210	05419	Misc Employee Expense
553 IEXP-54204	05/31/06	06/08/06	20.00	1.04 010	1150	9210	05419	Misc Employee Expense
554 IEXP-55630	05/12/06	06/29/06	146.00	7.59 010	1150	9210	05419	Misc Employee Expense
555 IEXP-56893	07/13/06	07/17/06	498.50	22.80 010	1201	9210	05419	Misc Employee Expense
556 IEXP-56894	07/13/06	07/17/06	405.35	21.08 010	1201	9210	05419	Misc Employee Expense
557 IEXP-56907	07/13/06	07/17/06	31.00	1.61 010	1106	9210	05419	Misc Employee Expense
558 IEXP-57006	07/14/06	07/20/06	548.83	28.54 010	1403	9210	05419	Misc Employee Expense
559 IEXP-57872	07/28/06	08/03/06	343.52	17.86 010	1501	9302	05419	Misc Employee Expense
560 IEXP-60317	08/28/06	09/05/06	183.76	9.56 010	1501	9302	05419	Misc Employee Expense
561 IEXP-60540	08/30/06	09/05/06	1,050.00	54.60 010	1501	9302	05419	Misc Employee Expense
562 IEXP-61898	09/13/06	09/21/06	413.34	21.49 010	1150	9210	05419	Misc Employee Expense
563 IEXP-61899	09/13/06	09/21/06	274.14	14.26 010	1150	9210	05419	Misc Employee Expense
564 IEXP-62655	09/20/06	09/21/06	20.00	1.04 010	1201	9210	05419	Misc Employee Expense
565 IEXP-62656	09/20/06	09/21/06	43.00	2.24 010	1201	9210	05419	Misc Employee Expense
566 IEXP-62664	09/20/06	09/21/06	79.00	4.11 010	1201	9210	05419	Misc Employee Expense
567 IEXP-62665	09/20/06	09/21/06	222.52	11.57 010	1201	9210	05419	Misc Employee Expense
568 IEXP-62720	09/20/06	09/21/06	17.00	0.88 010	1201	9210	05419	Misc Employee Expense
569 IEXP-37087	10/04/05	10/06/05	1,964.80	102.17 010	1201	9210	05420	Employee Development
570 IEXP-41480	11/17/05	11/21/05	299.00	15.55 010	1106	9210	05420	Employee Development
571 IEXP-41512	11/17/05	11/21/05	520.00	27.04 010	1132	9210	05420	Employee Development
572 IEXP-45271	01/11/06	01/19/06	1,630.00	84.76 010	1502	9302	05420	Employee Development

573 IEXP-46954	01/31/06	02/02/06	475.00	24.70 010	1150	9210	05420	Employee Development	
574 IEXP-48153	02/15/06	02/16/06	-1,480.00	-76.96 010	1505	9302	05420	Employee Development	
575 IEXP-48153	02/15/06	06/01/06	-1,480.00	-76.96 010	1502	9302	05420	Employee Development	
576 IEXP-48153	02/15/06	06/01/06	1,480.00	76.96 010	1505	9302	05420	Employee Development	
577 IEXP-52888	05/03/06	05/04/06	920.00	47.84 010	1503	9210	05420	Employee Development	
578 IEXP-53779	05/22/06	05/25/06	695.00	36.14 010	1133	9210	05420	Employee Development	
579 IEXP-55630	05/12/06	06/29/06	650.00	33.80 010	1150	9210	05420	Employee Development	
580 IEXP-62379	09/18/06	09/21/06	125.00	6.50 010	1503	9210	05420	Employee Development	301.54
581 IEXP-46954	01/31/06	02/02/06	475.00	24.70 010	1501	9302	05421	Training	
582 IEXP-48564	02/21/06	02/23/06	128.00	6.66 010	1132	9210	05421	Training	
583 IEXP-50749	03/31/06	09/01/06	595.00	30.94 010	1114	9210	05421	Training	
584 IEXP-59503	08/18/06	08/24/06	595.00	30.94 010	1114	9210	05421	Training	93.24
585 IEXP-43068	12/07/05	12/08/05	1,420.00	73.84 010	1502	9302	05424	Books & Manuals	
586 IEXP-49764	03/14/06	03/16/06	34.95	1.82 010	1502	9302	05424	Books & Manuals	75.66
587 INV041406	04/14/06	04/28/06	400.00	20.80 010	1402	9230	06111	Contract Labor	20.80
588 IEXP-42609	12/02/05	12/05/05	906.90	47.16 010	1133	9210	07499	Misc Employee Welfare Exp	
589 IEXP-57866	07/28/06	08/03/06	2,432.28	126.48 010	1420	9260	07499	Misc Employee Welfare Exp	
590 IEXP-60317	08/28/06	09/05/06	145.00	7.54 010	1420	9260	07499	Misc Employee Welfare Exp	181.18
591 IEXP-41877	11/22/05	11/23/05	500.00	26.00 010	1501	9302	07510	Association Dues	
592 IEXP-41878	11/22/05	11/23/05	750.00	39.00 010	1501	9302	07510	Association Dues	
593 IEXP-45229	01/11/06	01/16/06	225.00	11.70 010	1501	9302	07510	Association Dues	
594 IEXP-49110	03/02/06	03/06/06	445.00	23.14 010	1501	9302	07510	Association Dues	
595 IEXP-54406	06/02/06	06/08/06	399.00	20.75 010	1501	9302	07510	Association Dues	
596 IEXP-55443	06/20/06	07/03/06	530.00	27.56 010	1114	9210	07510	Association Dues	

597 IEXP-59286	08/15/06	08/17/06	750.00	39.00 010	1106	9210	07510	Association Dues	
598 IEXP-60540	08/30/06	09/05/06	50.00	2.60 010	1501	9302	07510	Association Dues	
599 IEXP-39110	10/27/05	11/07/05	9.95	0.52 010	1101	9260	07590	Misc General Expense	189.75
600 IEXP-40050	11/04/05	11/07/05	2,750.00	143.00 010	1101	9260	07590	Misc General Expense	
601 IEXP-43689	12/15/05	12/19/05	2,326.32	120.97 010	1101	9210	07590	Misc General Expense	
602 IEXP-45532	01/13/06	01/19/06	611.04	31.77 010	1101	9210	07590	Misc General Expense	
603 IEXP-48314	02/16/06	02/23/06	625.51	32.53 010	1101	9210	07590	Misc General Expense	
604 IEXP-48386	02/17/06	02/21/06	77.70	4.04 010	1150	9210	07590	Misc General Expense	
605 IEXP-49581	03/10/06	03/13/06	210.50	10.95 010	1101	9210	07590	Misc General Expense	
606 IEXP-51025	04/05/06	04/06/06	3,223.00	167.60 010	1101	9210	07590	Misc General Expense	
607 IEXP-51041	04/05/06	04/06/06	25.90	1.35 010	1150	9210	07590	Misc General Expense	
608 IEXP-52142	04/25/06	04/27/06	820.00	42.64 010	1133	9302	07590	Misc General Expense	
609 IEXP-52554	05/02/06	05/04/06	1,507.30	78.38 010	1101	9210	07590	Misc General Expense	
610 IEXP-54204	05/31/06	06/08/06	70.44	3.66 010	1150	9210	07590	Misc General Expense	
611 IEXP-54552	06/05/06	06/08/06	41.54	2.16 010	1133	9210	07590	Misc General Expense	
612 IEXP-55243	06/16/06	06/19/06	5,112.89	265.87 010	1101	9210	07590	Misc General Expense	
613 IEXP-55630	05/12/06	06/29/06	117.15	6.09 010	1150	9210	07590	Misc General Expense	
614 IEXP-57303	07/21/06	07/24/06	3,600.00	187.20 010	1001	9210	07590	Misc General Expense	
615 IEXP-58073	08/01/06	08/03/06	576.56	29.98 010	1101	9210	07590	Misc General Expense	
616 IEXP-59959	08/25/06	08/31/06	361.74	18.81 010	1101	9210	07590	Misc General Expense	
617 IEXP-61108	09/06/06	09/11/06	445.00	23.14 010	1201	9230	07590	Misc General Expense	1,170.65
<b>Total SSU Executive Expense Reports Allocated to Kentucky</b>									<b>\$ 29,042</b>
618 IEXP-41110	11/14/05	11/17/05	73.14	26.90 050	3331	9120	04046	Cust Relations & Assist	
619 IEXP-52942	05/08/06	05/11/06	101.00	37.14 050	3332	9120	04046	Cust Relations & Assist	
620 IEXP-54812	06/09/06	06/12/06	199.50	73.37 050	3332	9120	04046	Cust Relations & Assist	
621 IEXP-56925	07/13/06	07/20/06	25.90	9.52 050	3332	9120	04046	Cust Relations & Assist	

622 IEXP-36968	08/10/06	08/11/06	8.75	3.22 050	3332	9120	04046	Cust Relations & Assist	150.15
623 IEXP-41778	11/21/05	11/23/05	33.95	12.49 050	3431	9302	04146	Public Relations	12.49
624 IEXP-50948	04/04/06	04/06/06	262.76	96.63 050	3302	8700	05364	Cellular, radio, pager charges	96.63
625 IEXP-36968	10/03/05	10/06/05	138.54	50.95 040	2631	8850	05411	Meals & Entertainment	
626 IEXP-36968	10/03/05	10/06/05	138.55	50.95 040	2631	8700	05411	Meals & Entertainment	
627 IEXP-37709	10/13/05	10/17/05	114.64	42.16 040	2607	8700	05411	Meals & Entertainment	
628 IEXP-38492	10/21/05	10/24/05	238.08	87.56 040	2605	8700	05411	Meals & Entertainment	
629 IEXP-38696	10/24/05	10/31/05	341.21	125.48 040	2603	8700	05411	Meals & Entertainment	
630 IEXP-39070	10/27/05	10/31/05	207.61	76.35 040	2603	8700	05411	Meals & Entertainment	
631 IEXP-39493	10/31/05	11/07/05	30.98	11.39 040	2601	8700	05411	Meals & Entertainment	
632 IEXP-40301	11/07/05	11/10/05	72.53	26.67 040	2608	8700	05411	Meals & Entertainment	
633 IEXP-40387	11/07/05	11/10/05	219.89	80.87 040	2605	8700	05411	Meals & Entertainment	
634 IEXP-40833	11/10/05	11/14/05	140.00	51.49 040	2607	8700	05411	Meals & Entertainment	
635 IEXP-41437	11/17/05	11/21/05	41.59	15.30 040	2631	8850	05411	Meals & Entertainment	
636 IEXP-41437	11/17/05	11/21/05	41.59	15.30 040	2631	8700	05411	Meals & Entertainment	
637 IEXP-41647	11/18/05	12/08/05	94.72	34.83 040	2601	8700	05411	Meals & Entertainment	
638 IEXP-41650	11/18/05	11/21/05	516.48	189.94 040	2608	8700	05411	Meals & Entertainment	
639 IEXP-41652	11/18/05	12/08/05	6.60	2.43 040	2601	8700	05411	Meals & Entertainment	
640 IEXP-42201	11/30/05	12/08/05	170.61	62.74 040	2603	8700	05411	Meals & Entertainment	
641 IEXP-42250	11/30/05	12/05/05	240.74	88.53 040	2603	8700	05411	Meals & Entertainment	
642 IEXP-42375	12/01/05	12/05/05	66.20	24.35 040	2605	8700	05411	Meals & Entertainment	
643 IEXP-42493	12/01/05	12/08/05	281.10	103.38 040	2607	8700	05411	Meals & Entertainment	
644 IEXP-43664	12/15/05	12/19/05	17.31	6.37 040	2601	8700	05411	Meals & Entertainment	
645 IEXP-43998	12/20/05	12/22/05	36.83	13.54 040	2631	8700	05411	Meals & Entertainment	
646 IEXP-43998	12/20/05	12/22/05	36.83	13.54 040	2631	8850	05411	Meals & Entertainment	

647 IEXP-44149	12/22/05	12/27/05	238.00	87.53 040	2607	8700	05411	Meals & Entertainment
648 IEXP-44288	12/28/05	12/31/05	73.18	26.91 040	2608	8700	05411	Meals & Entertainment
649 IEXP-45138	01/10/06	01/16/06	72.22	26.56 040	2607	8700	05411	Meals & Entertainment
650 IEXP-45170	01/10/06	01/16/06	235.51	86.61 040	2731	8700	05411	Meals & Entertainment
651 IEXP-45170	01/10/06	01/16/06	235.51	86.61 040	2731	8850	05411	Meals & Entertainment
652 IEXP-45227	01/11/06	01/16/06	1,852.67	681.34 040	2605	8700	05411	Meals & Entertainment
653 IEXP-45403	01/12/06	01/16/06	397.71	146.26 040	2631	8850	05411	Meals & Entertainment
654 IEXP-45403	01/12/06	01/16/06	397.72	146.27 040	2631	8700	05411	Meals & Entertainment
655 IEXP-45990	01/20/06	01/23/06	193.51	71.17 040	2608	8700	05411	Meals & Entertainment
656 IEXP-46256	01/24/06	01/26/06	138.44	50.91 040	2605	8700	05411	Meals & Entertainment
657 IEXP-47211	02/02/06	02/06/06	96.64	35.54 040	2601	8700	05411	Meals & Entertainment
658 IEXP-48023	02/13/06	02/16/06	65.29	24.01 040	2633	8700	05411	Meals & Entertainment
659 IEXP-48023	02/13/06	02/16/06	201.54	74.12 040	2607	8700	05411	Meals & Entertainment
660 IEXP-48095	02/14/06	02/16/06	117.95	43.38 040	2631	8850	05411	Meals & Entertainment
661 IEXP-48095	02/14/06	02/16/06	117.96	43.38 040	2631	8700	05411	Meals & Entertainment
662 IEXP-48232	02/15/06	02/16/06	234.29	86.16 040	2608	8700	05411	Meals & Entertainment
663 IEXP-48309	02/16/06	02/23/06	119.04	43.78 040	2601	8700	05411	Meals & Entertainment
664 IEXP-48723	02/24/06	02/27/06	30.77	11.32 040	2605	8700	05411	Meals & Entertainment
665 IEXP-48872	02/27/06	03/02/06	336.68	123.82 040	2603	8700	05411	Meals & Entertainment
666 IEXP-49733	03/13/06	03/16/06	154.09	56.87 040	2605	8700	05411	Meals & Entertainment
667 IEXP-49774	03/14/06	03/16/06	183.45	67.47 040	2601	8700	05411	Meals & Entertainment
668 IEXP-49794	03/14/06	03/16/06	66.37	24.41 040	2602	8700	05411	Meals & Entertainment
669 IEXP-49794	03/14/06	03/16/06	333.93	122.81 040	2607	8700	05411	Meals & Entertainment
670 IEXP-50308	03/23/06	03/27/06	152.55	56.10 040	2608	8700	05411	Meals & Entertainment
671 IEXP-50752	03/31/06	04/03/06	141.02	51.86 040	2605	8700	05411	Meals & Entertainment
672 IEXP-50972	04/04/06	04/06/06	500.02	183.89 040	2607	8700	05411	Meals & Entertainment
673 IEXP-51217	04/07/06	04/13/06	308.53	113.46 040	2731	8850	05411	Meals & Entertainment
674 IEXP-51217	04/07/06	04/13/06	308.54	113.47 040	2731	8700	05411	Meals & Entertainment
675 IEXP-51303	04/10/06	04/13/06	755.72	277.92 040	2603	8700	05411	Meals & Entertainment
676 IEXP-51311	04/10/06	04/13/06	273.55	100.60 040	2631	8700	05411	Meals & Entertainment
677 IEXP-51311	04/10/06	04/13/06	273.55	100.60 040	2631	8850	05411	Meals & Entertainment
678 IEXP-51875	04/20/06	04/24/06	101.36	37.28 040	2605	8700	05411	Meals & Entertainment
679 IEXP-51994	04/21/06	05/01/06	89.93	33.07 040	2601	8700	05411	Meals & Entertainment
680 IEXP-52051	04/24/06	04/27/06	157.81	58.04 040	2608	8700	05411	Meals & Entertainment



681 IEXP-52268	04/27/06	05/01/06	138.87	51.07 040	2631	8850	05411	Meals & Entertainment
682 IEXP-52268	04/27/06	05/01/06	138.88	51.07 040	2631	8700	05411	Meals & Entertainment
683 IEXP-52341	04/28/06	05/01/06	66.37	24.41 040	2602	8700	05411	Meals & Entertainment
684 IEXP-52341	04/28/06	05/01/06	949.65	349.24 040	2607	8700	05411	Meals & Entertainment
685 IEXP-53272	05/12/06	05/15/06	1,209.33	444.74 040	2605	8700	05411	Meals & Entertainment
686 IEXP-54001	05/26/06	05/30/06	245.44	90.26 040	2608	8700	05411	Meals & Entertainment
687 IEXP-54193	05/31/06	06/05/06	103.83	38.18 040	2601	8700	05411	Meals & Entertainment
688 IEXP-54197	05/31/06	06/01/06	365.69	134.49 040	2603	8700	05411	Meals & Entertainment
689 IEXP-54407	06/02/06	06/05/06	4.40	1.62 040	2605	8700	05411	Meals & Entertainment
690 IEXP-55260	06/16/06	06/22/06	116.71	42.92 040	2631	8850	05411	Meals & Entertainment
691 IEXP-55260	06/16/06	06/22/06	116.72	42.92 040	2631	8700	05411	Meals & Entertainment
692 IEXP-55602	06/22/06	06/26/06	436.56	160.55 040	2605	8700	05411	Meals & Entertainment
693 IEXP-55825	06/26/06	06/29/06	178.99	65.83 040	2608	8700	05411	Meals & Entertainment
694 IEXP-55871	06/26/06	06/29/06	485.53	178.56 040	2731	8850	05411	Meals & Entertainment
695 IEXP-55871	06/26/06	06/29/06	485.54	178.56 040	2731	8700	05411	Meals & Entertainment
696 IEXP-56233	06/30/06	07/06/06	124.23	45.69 040	2601	8700	05411	Meals & Entertainment
697 IEXP-56235	06/30/06	07/06/06	95.29	35.04 040	2601	8700	05411	Meals & Entertainment
698 IEXP-56244	06/30/06	07/03/06	79.29	29.16 040	2605	8700	05411	Meals & Entertainment
699 IEXP-56651	07/10/06	07/13/06	162.56	59.78 040	2603	8700	05411	Meals & Entertainment
700 IEXP-56660	07/10/06	07/13/06	220.24	81.00 040	2603	8700	05411	Meals & Entertainment
701 IEXP-57114	07/18/06	07/24/06	642.97	236.46 040	2605	8700	05411	Meals & Entertainment
702 IEXP-57320	07/21/06	07/24/06	67.00	24.64 040	2608	8700	05411	Meals & Entertainment
703 IEXP-57358	07/21/06	07/24/06	102.54	37.71 040	2631	8850	05411	Meals & Entertainment
704 IEXP-57358	07/21/06	07/24/06	102.55	37.71 040	2631	8700	05411	Meals & Entertainment
705 IEXP-57463	07/24/06	07/31/06	180.25	66.29 040	2601	8700	05411	Meals & Entertainment
706 IEXP-58633	08/09/06	08/10/06	461.85	169.85 040	2608	8700	05411	Meals & Entertainment
707 IEXP-58925	08/11/06	08/14/06	333.70	122.72 040	2603	8700	05411	Meals & Entertainment
708 IEXP-58947	08/11/06	08/14/06	320.87	118.00 040	2603	8700	05411	Meals & Entertainment

709 IEXP-59037	08/14/06	08/21/06	926.04	340.56 040	2605	8700	05411	Meals & Entertainment
710 IEXP-60257	08/28/06	08/31/06	355.13	130.60 040	2603	8700	05411	Meals & Entertainment
711 IEXP-60320	08/28/06	08/31/06	84.26	30.99 040	2605	8700	05411	Meals & Entertainment
712 IEXP-60391	08/28/06	08/31/06	145.19	53.40 040	2603	8700	05411	Meals & Entertainment
713 IEXP-60442	08/29/06	09/05/06	228.84	84.16 040	2731	8850	05411	Meals & Entertainment
714 IEXP-60442	08/29/06	09/05/06	228.85	84.16 040	2731	8700	05411	Meals & Entertainment
715 IEXP-60490	08/29/06	09/05/06	47.67	17.53 040	2631	8850	05411	Meals & Entertainment
716 IEXP-60490	08/29/06	09/05/06	47.68	17.53 040	2631	8700	05411	Meals & Entertainment
717 IEXP-61732	09/12/06	09/14/06	66.54	24.47 040	2607	8700	05411	Meals & Entertainment
718 IEXP-61748	09/12/06	09/14/06	34.09	12.54 040	2608	8700	05411	Meals & Entertainment
719 IEXP-61940	09/13/06	09/18/06	117.70	43.29 040	2607	8700	05411	Meals & Entertainment
720 IEXP-62663	09/20/06	09/21/06	223.58	82.22 040	2601	8700	05411	Meals & Entertainment
721 EXP060306	06/03/06	06/27/06	62.21	22.88 050	3431	8750	05411	Meals & Entertainment
722 EXP060306	06/03/06	06/27/06	82.94	30.50 050	3431	8870	05411	Meals & Entertainment
723 EXP060306	06/03/06	06/27/06	93.31	34.32 050	3431	8700	05411	Meals & Entertainment
724 EXP060306	06/03/06	06/27/06	103.68	38.13 050	3431	8740	05411	Meals & Entertainment
725 EXP060306	06/03/06	06/27/06	145.15	53.38 050	3431	8930	05411	Meals & Entertainment
726 IEXP-37599	10/12/05	10/13/05	763.52	280.79 050	3332	9120	05411	Meals & Entertainment
727 IEXP-38031	10/18/05	10/20/05	24.21	8.90 050	3431	8750	05411	Meals & Entertainment
728 IEXP-38031	10/18/05	10/20/05	32.28	11.87 050	3431	8870	05411	Meals & Entertainment
729 IEXP-38031	10/18/05	10/20/05	36.32	13.36 050	3431	8700	05411	Meals & Entertainment
730 IEXP-38031	10/18/05	10/20/05	40.36	14.84 050	3431	8740	05411	Meals & Entertainment
731 IEXP-38031	10/18/05	10/20/05	56.50	20.78 050	3431	8930	05411	Meals & Entertainment
732 IEXP-39371	10/31/05	11/03/05	191.34	70.37 050	3308	9110	05411	Meals & Entertainment
733 IEXP-39462	10/31/05	11/03/05	8.82	3.24 050	3431	8750	05411	Meals & Entertainment
734 IEXP-39462	10/31/05	11/03/05	11.76	4.32 050	3431	8870	05411	Meals & Entertainment
735 IEXP-39462	10/31/05	11/03/05	13.23	4.87 050	3431	8700	05411	Meals & Entertainment
736 IEXP-39462	10/31/05	11/03/05	14.70	5.41 050	3431	8740	05411	Meals & Entertainment
737 IEXP-39462	10/31/05	11/03/05	20.58	7.57 050	3431	8930	05411	Meals & Entertainment
738 IEXP-39493	10/31/05	11/07/05	46.47	17.09 050	3301	8700	05411	Meals & Entertainment
739 IEXP-40773	11/10/05	11/14/05	249.26	91.67 050	3304	8700	05411	Meals & Entertainment

740 IEXP-41110	11/14/05	11/17/05	1,088.91	400.46 050	3331	9120	05411	Meals & Entertainment
741 IEXP-41647	11/18/05	12/08/05	142.08	52.25 050	3301	8700	05411	Meals & Entertainment
742 IEXP-41652	11/18/05	12/08/05	9.89	3.64 050	3301	8700	05411	Meals & Entertainment
743 IEXP-41778	11/23/05	11/23/05	28.08	10.33 050	3431	8750	05411	Meals & Entertainment
744 IEXP-41778	11/21/05	11/23/05	37.45	13.77 050	3431	8870	05411	Meals & Entertainment
745 IEXP-41778	11/21/05	11/23/05	42.13	15.49 050	3431	8700	05411	Meals & Entertainment
746 IEXP-41778	11/21/05	11/23/05	46.81	17.21 050	3431	8740	05411	Meals & Entertainment
747 IEXP-41778	11/21/05	11/23/05	65.53	24.10 050	3431	8930	05411	Meals & Entertainment
748 IEXP-42516	12/02/05	12/05/05	135.34	49.77 050	3308	9110	05411	Meals & Entertainment
749 IEXP-42947	12/06/05	12/12/05	9.64	3.55 050	3304	8700	05411	Meals & Entertainment
750 IEXP-43664	12/15/05	12/19/05	155.82	57.30 050	3301	8700	05411	Meals & Entertainment
751 IEXP-43894	12/19/05	12/22/05	438.47	161.25 050	3307	8700	05411	Meals & Entertainment
752 IEXP-44109	12/22/05	01/09/06	768.71	282.70 050	3331	9120	05411	Meals & Entertainment
753 IEXP-44467	01/02/06	01/05/06	221.04	81.29 050	3308	9110	05411	Meals & Entertainment
754 IEXP-44773	01/05/06	01/09/06	186.19	68.47 050	3304	8700	05411	Meals & Entertainment
755 IEXP-45638	01/16/06	01/19/06	84.50	31.08 050	3332	9120	05411	Meals & Entertainment
756 IEXP-46204	01/23/06	01/26/06	416.46	153.16 050	3304	8700	05411	Meals & Entertainment
757 IEXP-46954	01/31/06	02/02/06	19.74	7.26 050	3304	8700	05411	Meals & Entertainment
758 IEXP-47211	02/02/06	02/06/06	144.95	53.31 050	3301	8700	05411	Meals & Entertainment
759 IEXP-47516	02/06/06	02/09/06	248.85	91.52 050	3308	9110	05411	Meals & Entertainment
760 IEXP-47550	02/06/06	02/09/06	37.38	13.75 050	3431	8750	05411	Meals & Entertainment
761 IEXP-47550	02/06/06	02/09/06	49.84	18.33 050	3431	8870	05411	Meals & Entertainment
762 IEXP-47550	02/06/06	02/09/06	56.07	20.62 050	3431	8700	05411	Meals & Entertainment
763 IEXP-47550	02/06/06	02/09/06	62.30	22.91 050	3431	8740	05411	Meals & Entertainment
764 IEXP-47550	02/06/06	02/09/06	87.22	32.08 050	3431	8990	05411	Meals & Entertainment
765 IEXP-47743	02/08/06	02/13/06	219.18	80.61 050	3304	8700	05411	Meals & Entertainment
766 IEXP-48309	02/16/06	02/23/06	178.55	65.66 050	3301	8700	05411	Meals & Entertainment

767 IEXP-48480	02/20/06	02/27/06	1,421.06	522.61 050	3332	9120	05411	Meals & Entertainment
768 IEXP-49235	03/03/06	03/06/06	504.39	185.49 050	3304	8700	05411	Meals & Entertainment
769 IEXP-49281	03/06/06	03/09/06	37.07	13.63 050	3431	8750	05411	Meals & Entertainment
770 IEXP-49281	03/06/06	03/09/06	49.42	18.17 050	3431	8870	05411	Meals & Entertainment
771 IEXP-49281	03/06/06	03/09/06	55.60	20.45 050	3431	8700	05411	Meals & Entertainment
772 IEXP-49281	03/06/06	03/09/06	61.78	22.72 050	3431	8740	05411	Meals & Entertainment
773 IEXP-49281	03/06/06	03/09/06	86.49	31.81 050	3431	8930	05411	Meals & Entertainment
774 IEXP-49526	03/09/06	03/13/06	1,199.39	441.09 050	3308	9110	05411	Meals & Entertainment
775 IEXP-49774	03/14/06	03/16/06	275.18	101.20 050	3301	8700	05411	Meals & Entertainment
776 IEXP-50055	03/20/06	03/23/06	461.34	169.66 050	3332	9120	05411	Meals & Entertainment
777 IEXP-50100	03/20/06	03/23/06	156.35	57.50 050	3304	8700	05411	Meals & Entertainment
778 IEXP-50947	04/04/06	04/06/06	49.06	18.04 050	3431	8750	05411	Meals & Entertainment
779 IEXP-50947	04/04/06	04/06/06	65.42	24.06 050	3431	8870	05411	Meals & Entertainment
780 IEXP-50947	04/04/06	04/06/06	73.59	27.06 050	3431	8700	05411	Meals & Entertainment
781 IEXP-50947	04/04/06	04/06/06	81.77	30.07 050	3431	8740	05411	Meals & Entertainment
782 IEXP-50947	04/04/06	04/06/06	114.48	42.10 050	3431	8930	05411	Meals & Entertainment
783 IEXP-50948	04/04/06	04/06/06	22.55	8.29 050	3431	8750	05411	Meals & Entertainment
784 IEXP-50948	04/04/06	04/06/06	30.07	11.06 050	3431	8870	05411	Meals & Entertainment
785 IEXP-50948	04/04/06	04/06/06	33.82	12.44 050	3431	8700	05411	Meals & Entertainment
786 IEXP-50948	04/04/06	04/06/06	37.58	13.82 050	3431	8740	05411	Meals & Entertainment
787 IEXP-50948	04/04/06	04/06/06	52.62	19.35 050	3431	8930	05411	Meals & Entertainment
788 IEXP-51235	04/07/06	04/10/06	66.06	24.29 050	3308	9110	05411	Meals & Entertainment
789 IEXP-51816	04/19/06	04/24/06	256.33	94.27 050	3304	8700	05411	Meals & Entertainment
790 IEXP-51878	04/20/06	04/24/06	88.61	32.59 050	3304	8700	05411	Meals & Entertainment
791 IEXP-51994	04/21/06	05/01/06	134.89	49.61 050	3301	8700	05411	Meals & Entertainment
792 IEXP-52047	04/24/06	04/27/06	866.77	318.76 050	3332	9120	05411	Meals & Entertainment
793 IEXP-52799	05/05/06	05/08/06	647.12	237.98 050	3308	9110	05411	Meals & Entertainment
794 IEXP-52942	05/08/06	05/11/06	909.19	334.36 050	3332	9120	05411	Meals & Entertainment
795 IEXP-53154	05/11/06	05/15/06	33.99	12.50 050	3431	8750	05411	Meals & Entertainment
796 IEXP-53154	05/11/06	05/15/06	45.32	16.67 050	3431	8870	05411	Meals & Entertainment
797 IEXP-53154	05/11/06	05/15/06	50.99	18.75 050	3431	8700	05411	Meals & Entertainment
798 IEXP-53154	05/11/06	05/15/06	56.66	20.84 050	3431	8740	05411	Meals & Entertainment



825 IEXP-36968	10/03/05	10/06/05	296.29	108.96 040	2631	8700	05413	Transportation
826 IEXP-36968	10/03/05	10/06/05	296.29	108.96 040	2631	8850	05413	Transportation
827 IEXP-37709	10/13/05	10/17/05	293.67	108.00 040	2607	8700	05413	Transportation
828 IEXP-38492	10/21/05	10/24/05	111.19	40.89 040	2605	8700	05413	Transportation
829 IEXP-39070	10/27/05	10/31/05	20.40	7.50 040	2603	8700	05413	Transportation
830 IEXP-39493	10/31/05	11/07/05	537.24	197.58 040	2601	8700	05413	Transportation
831 IEXP-40301	11/07/05	11/10/05	550.51	202.46 040	2608	8700	05413	Transportation
832 IEXP-40387	11/07/05	11/10/05	58.96	21.68 040	2605	8700	05413	Transportation
833 IEXP-40833	11/10/05	11/14/05	245.39	90.24 040	2607	8700	05413	Transportation
834 IEXP-41437	11/17/05	11/21/05	294.80	108.42 040	2631	8850	05413	Transportation
835 IEXP-41437	11/17/05	11/21/05	294.80	108.42 040	2631	8700	05413	Transportation
836 IEXP-41647	11/18/05	12/08/05	160.85	59.15 040	2601	8700	05413	Transportation
837 IEXP-41650	11/18/05	11/21/05	403.03	148.22 040	2608	8700	05413	Transportation
838 IEXP-41652	11/18/05	12/08/05	6.09	2.24 040	2601	8700	05413	Transportation
839 IEXP-42201	11/30/05	12/08/05	301.77	110.98 040	2603	8700	05413	Transportation
840 IEXP-42250	11/30/05	12/05/05	261.19	96.06 040	2603	8700	05413	Transportation
841 IEXP-42375	12/01/05	12/05/05	20.85	7.67 040	2605	8700	05413	Transportation
842 IEXP-42493	12/01/05	12/08/05	156.90	57.70 040	2607	8700	05413	Transportation
843 IEXP-43664	12/15/05	12/19/05	65.61	24.13 040	2601	8700	05413	Transportation
844 IEXP-43998	12/20/05	12/22/05	231.35	85.08 040	2631	8850	05413	Transportation
845 IEXP-43998	12/20/05	12/22/05	231.36	85.08 040	2631	8700	05413	Transportation
846 IEXP-44149	12/22/05	12/27/05	56.74	20.87 040	2607	8700	05413	Transportation
847 IEXP-44288	12/28/05	12/31/05	144.55	53.16 040	2608	8700	05413	Transportation
848 IEXP-44675	01/04/06	01/09/06	20.61	7.58 040	2605	8700	05413	Transportation
849 IEXP-45138	01/10/06	01/16/06	304.81	112.10 040	2607	8700	05413	Transportation

850 IEXP-45170	01/10/06	01/16/06	343.05	126.16 040	2731	8700	05413	Transportation
851 IEXP-45170	01/10/06	01/16/06	343.05	126.16 040	2731	8850	05413	Transportation
852 IEXP-45990	01/20/06	01/23/06	751.78	276.47 040	2608	8700	05413	Transportation
853 IEXP-47211	02/02/06	02/06/06	353.35	129.95 040	2601	8700	05413	Transportation
854 IEXP-48023	02/13/06	02/16/06	1,055.32	388.10 040	2607	8700	05413	Transportation
855 IEXP-48095	02/14/06	02/16/06	129.83	47.75 040	2631	8700	05413	Transportation
856 IEXP-48095	02/14/06	02/16/06	129.83	47.75 040	2631	8850	05413	Transportation
857 IEXP-48232	02/15/06	02/16/06	1,109.92	408.18 040	2608	8700	05413	Transportation
858 IEXP-48309	02/16/06	02/23/06	108.66	39.96 040	2601	8700	05413	Transportation
859 IEXP-48872	02/27/06	03/02/06	528.16	194.24 040	2603	8700	05413	Transportation
860 IEXP-49733	03/13/06	03/16/06	55.18	20.29 040	2605	8700	05413	Transportation
861 IEXP-49774	03/14/06	03/16/06	239.27	87.99 040	2601	8700	05413	Transportation
862 IEXP-49794	03/14/06	03/16/06	303.04	111.45 040	2607	8700	05413	Transportation
863 IEXP-50308	03/23/06	03/27/06	835.75	307.36 040	2608	8700	05413	Transportation
864 IEXP-50752	03/31/06	04/03/06	23.14	8.51 040	2605	8700	05413	Transportation
865 IEXP-50972	04/04/06	04/06/06	275.45	101.30 040	2607	8700	05413	Transportation
866 IEXP-51217	04/07/06	04/13/06	584.21	214.85 040	2731	8700	05413	Transportation
867 IEXP-51217	04/07/06	04/13/06	584.22	214.85 040	2731	8850	05413	Transportation
868 IEXP-51311	04/10/06	04/13/06	707.20	260.08 040	2631	8850	05413	Transportation
869 IEXP-51311	04/10/06	04/13/06	707.21	260.08 040	2631	8700	05413	Transportation
870 IEXP-51662	04/17/06	04/20/06	688.55	253.22 040	2603	8700	05413	Transportation
871 IEXP-51875	04/20/06	04/24/06	178.04	65.48 040	2605	8700	05413	Transportation
872 IEXP-51994	04/21/06	05/01/06	629.04	231.34 040	2601	8700	05413	Transportation
873 IEXP-52051	04/24/06	04/27/06	565.85	208.10 040	2608	8700	05413	Transportation
874 IEXP-52064	04/24/06	04/27/06	451.23	165.94 040	2603	8700	05413	Transportation
875 IEXP-52268	04/27/06	05/01/06	258.15	94.94 040	2631	8700	05413	Transportation
876 IEXP-52268	04/27/06	05/01/06	259.15	94.94 040	2631	8850	05413	Transportation
877 IEXP-52341	04/28/06	05/01/06	483.71	177.89 040	2607	8700	05413	Transportation
878 IEXP-53272	05/12/06	05/15/06	23.74	8.73 040	2605	8700	05413	Transportation
879 IEXP-53489	05/17/06	05/25/06	566.05	208.17 040	2603	8700	05413	Transportation
880 IEXP-54001	05/26/06	05/30/06	1,212.88	446.05 040	2608	8700	05413	Transportation
881 IEXP-54185	05/31/06	06/01/06	599.05	220.31 040	2603	8700	05413	Transportation
882 IEXP-54193	05/31/06	06/05/06	670.62	246.63 040	2601	8700	05413	Transportation

883 IEXP-54407	06/02/06	06/05/06	78.48	28.86 040	2605	8700	05413	Transportation
884 IEXP-55260	06/16/06	06/22/06	372.94	137.15 040	2631	8700	05413	Transportation
885 IEXP-55260	06/16/06	06/22/06	372.94	137.15 040	2631	8850	05413	Transportation
886 IEXP-55602	06/22/06	06/26/06	253.14	95.09 040	2605	8700	05413	Transportation
887 IEXP-55646	06/22/06	06/26/06	299.99	110.32 040	2603	8700	05413	Transportation
888 IEXP-55825	06/26/06	06/29/06	663.63	244.06 040	2608	8700	05413	Transportation
889 IEXP-55871	06/26/06	06/29/06	474.06	174.34 040	2731	8850	05413	Transportation
890 IEXP-55871	06/26/06	06/29/06	474.06	174.34 040	2731	8700	05413	Transportation
891 IEXP-56233	06/30/06	07/06/06	78.72	28.95 040	2601	8700	05413	Transportation
892 IEXP-56235	06/30/06	07/06/06	154.12	56.68 040	2601	8700	05413	Transportation
893 IEXP-56244	06/30/06	07/03/06	79.97	29.41 040	2605	8700	05413	Transportation
894 IEXP-57053	07/17/06	07/20/06	638.35	234.76 040	2603	8700	05413	Transportation
895 IEXP-57320	07/21/06	07/24/06	441.41	162.33 040	2608	8700	05413	Transportation
896 IEXP-57358	07/21/06	07/24/06	594.25	218.54 040	2631	8700	05413	Transportation
897 IEXP-57358	07/21/06	07/24/06	594.25	218.54 040	2631	8850	05413	Transportation
898 IEXP-57463	07/24/06	07/31/06	32.05	11.79 040	2601	8700	05413	Transportation
899 IEXP-58633	08/09/06	08/10/06	776.42	285.54 040	2608	8700	05413	Transportation
900 IEXP-58925	08/11/06	08/14/06	600.62	220.88 040	2603	8700	05413	Transportation
901 IEXP-59097	08/14/06	08/21/06	13.35	4.91 040	2605	8700	05413	Transportation
902 IEXP-60257	08/28/06	08/31/06	94.00	34.57 040	2603	8700	05413	Transportation
903 IEXP-60320	08/28/06	08/31/06	13.65	5.02 040	2605	8700	05413	Transportation
904 IEXP-60391	08/28/06	08/31/06	478.21	175.87 040	2603	8700	05413	Transportation
905 IEXP-60442	08/29/06	09/05/06	536.97	197.48 040	2731	8700	05413	Transportation
906 IEXP-60442	08/29/06	09/05/06	536.97	197.48 040	2731	8850	05413	Transportation
907 IEXP-60490	08/29/06	09/05/06	130.63	48.04 040	2631	8700	05413	Transportation
908 IEXP-60490	08/29/06	09/05/06	130.63	48.04 040	2631	8850	05413	Transportation



909 IEXP-61732	09/12/06	09/14/06	210.66	77.47 040	2607	8700	05413	Transportation
910 IEXP-61748	09/12/06	09/14/06	188.90	69.47 040	2608	8700	05413	Transportation
911 IEXP-62663	09/20/06	09/21/06	99.11	36.45 040	2601	8700	05413	Transportation
912 EXP060306	06/03/06	06/27/06	86.08	31.66 050	3431	8750	05413	Transportation
913 EXP060306	06/03/06	06/27/06	114.77	42.21 050	3431	8670	05413	Transportation
914 EXP060306	06/03/06	06/27/06	129.12	47.49 050	3431	8700	05413	Transportation
915 EXP060306	06/03/06	06/27/06	143.47	52.76 050	3431	8740	05413	Transportation
916 EXP060306	06/03/06	06/27/06	200.86	73.87 050	3431	8930	05413	Transportation
917 IEXP-37599	10/12/05	10/13/05	845.29	310.86 050	3332	9120	05413	Transportation
918 IEXP-38031	10/18/05	10/20/05	41.09	15.11 050	3431	8750	05413	Transportation
919 IEXP-38031	10/18/05	10/20/05	54.79	20.15 050	3431	8870	05413	Transportation
920 IEXP-38031	10/18/05	10/20/05	61.63	22.67 050	3431	8700	05413	Transportation
921 IEXP-38031	10/18/05	10/20/05	66.48	25.18 050	3431	8740	05413	Transportation
922 IEXP-38031	10/18/05	10/20/05	95.87	35.26 050	3431	8930	05413	Transportation
923 IEXP-39371	10/31/05	11/03/05	438.50	161.26 050	3308	9110	05413	Transportation
924 IEXP-39462	10/31/05	11/03/05	35.74	13.14 050	3431	8750	05413	Transportation
925 IEXP-39462	10/31/05	11/03/05	47.66	17.53 050	3431	8870	05413	Transportation
926 IEXP-39462	10/31/05	11/03/05	53.62	19.72 050	3431	8700	05413	Transportation
927 IEXP-39462	10/31/05	11/03/05	59.57	21.91 050	3431	8740	05413	Transportation
928 IEXP-39462	10/31/05	11/03/05	83.40	30.67 050	3431	8930	05413	Transportation
929 IEXP-39493	10/31/05	11/07/05	805.85	296.36 050	3301	8700	05413	Transportation
930 IEXP-40773	11/10/05	11/14/05	498.09	183.18 050	3304	8700	05413	Transportation
931 IEXP-41110	11/14/05	11/17/05	623.78	229.40 050	3331	9120	05413	Transportation
932 IEXP-41647	11/18/05	12/08/05	241.28	88.73 050	3301	8700	05413	Transportation
933 IEXP-41652	11/18/05	12/08/05	9.13	3.36 050	3301	8700	05413	Transportation
934 IEXP-41778	11/21/05	11/23/05	44.38	16.32 050	3431	8750	05413	Transportation
935 IEXP-41778	11/21/05	11/23/05	59.17	21.76 050	3431	8870	05413	Transportation
936 IEXP-41778	11/21/05	11/23/05	66.57	24.48 050	3431	8700	05413	Transportation
937 IEXP-41778	11/21/05	11/23/05	73.96	27.20 050	3431	8740	05413	Transportation
938 IEXP-41778	11/21/05	11/23/05	103.55	38.08 050	3431	8930	05413	Transportation
939 IEXP-42516	12/02/05	12/05/05	188.13	69.19 050	3308	9110	05413	Transportation
940 IEXP-42947	12/06/05	12/12/05	1,221.47	449.21 050	3304	8700	05413	Transportation
941 IEXP-43664	12/15/05	12/19/05	590.49	217.16 050	3301	8700	05413	Transportation
942 IEXP-43894	12/19/05	12/22/05	975.77	358.85 050	3307	8700	05413	Transportation

943 IEXP-44109	12/22/05	01/09/06	139.61	51.34 050	3331	9120	05413	Transportation
944 IEXP-44467	01/02/06	01/05/06	278.29	102.34 050	3308	9110	05413	Transportation
945 IEXP-44773	01/05/06	01/09/06	39.56	14.55 050	3304	8700	05413	Transportation
946 IEXP-45638	01/16/06	01/19/06	130.95	48.16 050	3332	9120	05413	Transportation
947 IEXP-46204	01/23/06	01/26/06	69.16	25.43 050	3304	8700	05413	Transportation
948 IEXP-46954	01/31/06	02/02/06	383.71	141.11 050	3304	8700	05413	Transportation
949 IEXP-46954	01/31/06	02/02/06	445.92	163.99 050	3304	8700	05413	Transportation
950 IEXP-47211	02/02/06	02/06/06	530.02	194.92 050	3301	8700	05413	Transportation
951 IEXP-47516	02/06/06	02/09/06	278.87	102.56 050	3308	9110	05413	Transportation
952 IEXP-47550	02/06/06	02/09/06	108.71	39.98 050	3431	8750	05413	Transportation
953 IEXP-47550	02/06/06	02/09/06	144.95	53.31 050	3431	8870	05413	Transportation
954 IEXP-47550	02/06/06	02/09/06	163.07	59.97 050	3431	8700	05413	Transportation
955 IEXP-47550	02/06/06	02/09/06	181.18	66.63 050	3431	8740	05413	Transportation
956 IEXP-47550	02/06/06	02/09/06	253.66	93.29 050	3431	8930	05413	Transportation
957 IEXP-47743	02/08/06	02/13/06	14.72	5.41 050	3304	8700	05413	Transportation
958 IEXP-47743	02/08/06	02/13/06	265.14	97.51 050	3304	8700	05413	Transportation
959 IEXP-48309	02/16/06	02/23/06	162.99	59.94 050	3301	8700	05413	Transportation
960 IEXP-48480	02/20/06	02/27/06	312.57	114.95 050	3332	9120	05413	Transportation
961 IEXP-49236	03/03/06	03/06/06	38.28	14.08 050	3304	8700	05413	Transportation
962 IEXP-49281	03/06/06	03/09/06	101.08	37.17 050	3431	8750	05413	Transportation
963 IEXP-49281	03/06/06	03/09/06	134.77	49.56 050	3431	8870	05413	Transportation
964 IEXP-49281	03/06/06	03/09/06	151.62	55.76 050	3431	8700	05413	Transportation
965 IEXP-49281	03/06/06	03/09/06	168.46	61.95 050	3431	8740	05413	Transportation
966 IEXP-49281	03/06/06	03/09/06	235.85	86.74 050	3431	8930	05413	Transportation

967 IEXP-49526	03/09/06	03/13/06	210.41	77.38 050	3308	9110	05413	Transportation
968 IEXP-49774	03/14/06	03/16/06	358.90	131.99 050	3301	8700	05413	Transportation
969 IEXP-50055	03/20/06	03/23/06	280.18	103.04 050	3332	9120	05413	Transportation
970 IEXP-50100	03/20/06	03/23/06	491.23	180.65 050	3304	8700	05413	Transportation
971 IEXP-50947	04/04/06	04/06/06	36.15	13.29 050	3431	8750	05413	Transportation
972 IEXP-50947	04/04/06	04/06/06	48.20	17.73 050	3431	8870	05413	Transportation
973 IEXP-50947	04/04/06	04/06/06	54.23	19.94 050	3431	8700	05413	Transportation
974 IEXP-50947	04/04/06	04/06/06	60.25	22.16 050	3431	8740	05413	Transportation
975 IEXP-50947	04/04/06	04/06/06	84.35	31.02 050	3431	8930	05413	Transportation
976 IEXP-50948	04/04/06	04/06/06	54.68	20.11 050	3431	8750	05413	Transportation
977 IEXP-50948	04/04/06	04/06/06	72.90	26.81 050	3431	8870	05413	Transportation
978 IEXP-50948	04/04/06	04/06/06	82.02	30.16 050	3431	8700	05413	Transportation
979 IEXP-50948	04/04/06	04/06/06	91.13	33.51 050	3431	8740	05413	Transportation
980 IEXP-50948	04/04/06	04/06/06	127.58	46.92 050	3431	8930	05413	Transportation
981 IEXP-51235	04/07/06	04/10/06	223.95	82.36 050	3308	9110	05413	Transportation
982 IEXP-51816	04/19/06	04/24/06	548.69	201.79 050	3304	8700	05413	Transportation
983 IEXP-51878	04/20/06	04/24/06	571.37	210.13 050	3304	8700	05413	Transportation
984 IEXP-51994	04/21/06	05/01/06	943.55	347.00 050	3301	8700	05413	Transportation
985 IEXP-52047	04/24/06	04/27/06	679.24	249.80 050	3332	9120	05413	Transportation
986 IEXP-52799	05/05/06	05/08/06	252.36	92.81 050	3308	9110	05413	Transportation
987 IEXP-52942	05/08/06	05/11/06	168.25	61.88 050	3332	9120	05413	Transportation
988 IEXP-53154	05/11/06	05/15/06	80.12	29.46 050	3431	8750	05413	Transportation
989 IEXP-53154	05/11/06	05/15/06	106.83	39.29 050	3431	8870	05413	Transportation
990 IEXP-53154	05/11/06	05/15/06	120.18	44.20 050	3431	8700	05413	Transportation
991 IEXP-53154	05/11/06	05/15/06	133.53	49.11 050	3431	8740	05413	Transportation
992 IEXP-53154	05/11/06	05/15/06	186.95	68.75 050	3431	8930	05413	Transportation
993 IEXP-54193	05/31/06	06/05/06	1,005.94	369.94 050	3301	8700	05413	Transportation
994 IEXP-54623	06/06/06	06/12/06	219.05	80.56 050	3308	9110	05413	Transportation
995 IEXP-54724	06/08/06	06/12/06	113.24	41.65 050	3304	8700	05413	Transportation
996 IEXP-54768	06/08/06	06/12/06	6.90	2.54 050	3304	8700	05413	Transportation
997 IEXP-54812	06/09/06	06/12/06	579.05	212.95 050	3332	9120	05413	Transportation
998 IEXP-55381	06/19/06	06/22/06	123.80	45.53 050	3304	8700	05413	Transportation



1019 IEXP-39493	10/31/05	11/07/05	52.76	19.40 040	2601	8700	05414	Lodging
1020 IEXP-40301	11/07/05	11/10/05	136.66	50.26 040	2608	8700	05414	Lodging
1021 IEXP-40833	11/10/05	11/14/05	75.21	27.66 040	2607	8700	05414	Lodging
1022 IEXP-41437	11/17/05	11/21/05	50.08	18.42 040	2631	8850	05414	Lodging
1023 IEXP-41437	11/17/05	11/21/05	50.09	18.42 040	2631	8700	05414	Lodging
1024 IEXP-41647	11/18/05	12/08/05	77.76	28.60 040	2601	8700	05414	Lodging
1025 IEXP-41650	11/18/05	11/21/05	229.60	84.44 040	2608	8700	05414	Lodging
1026 IEXP-41652	11/18/05	12/08/05	91.84	33.78 040	2601	8700	05414	Lodging
1027 IEXP-42201	11/30/05	12/08/05	108.07	39.74 040	2603	8700	05414	Lodging
1028 IEXP-42250	11/30/05	12/05/05	304.57	112.01 040	2603	8700	05414	Lodging
1029 IEXP-42375	12/01/05	12/05/05	19.81	7.29 040	2605	8700	05414	Lodging
1030 IEXP-42493	12/01/05	12/08/05	99.06	36.43 040	2607	8700	05414	Lodging
1031 IEXP-43664	12/15/05	12/19/05	17.23	6.34 040	2601	8700	05414	Lodging
1032 IEXP-43998	12/20/05	12/22/05	34.67	12.75 040	2631	8700	05414	Lodging
1033 IEXP-43998	12/20/05	12/22/05	34.67	12.75 040	2631	8850	05414	Lodging
1034 IEXP-44288	12/28/05	12/31/05	99.06	36.43 040	2608	8700	05414	Lodging
1035 IEXP-45138	01/10/06	01/16/06	125.35	46.10 040	2607	8700	05414	Lodging
1036 IEXP-45170	01/10/06	01/16/06	91.73	33.73 040	2731	8850	05414	Lodging
1037 IEXP-45170	01/10/06	01/16/06	91.74	33.74 040	2731	8700	05414	Lodging
1038 IEXP-45990	01/20/06	01/23/06	193.57	71.19 040	2608	8700	05414	Lodging
1039 IEXP-46256	01/24/06	01/26/06	31.66	11.64 040	2605	8700	05414	Lodging
1040 IEXP-47211	02/02/06	02/06/06	243.46	89.53 040	2601	8700	05414	Lodging
1041 IEXP-48023	02/13/06	02/16/06	188.02	69.15 040	2607	8700	05414	Lodging
1042 IEXP-48095	02/14/06	02/16/06	39.57	14.55 040	2631	8700	05414	Lodging
1043 IEXP-48095	02/14/06	02/16/06	39.57	14.55 040	2631	8850	05414	Lodging
1044 IEXP-48232	02/15/06	02/16/06	386.98	142.32 040	2608	8700	05414	Lodging
1045 IEXP-48309	02/16/06	02/23/06	153.19	56.34 040	2601	8700	05414	Lodging
1046 IEXP-48723	02/24/06	02/27/06	63.32	23.29 040	2605	8700	05414	Lodging
1047 IEXP-48872	02/27/06	03/02/06	152.93	56.24 040	2603	8700	05414	Lodging
1048 IEXP-49774	03/14/06	03/16/06	98.29	36.15 040	2601	8700	05414	Lodging

1049 IEXP-49794	03/14/06	03/16/06	158.29	58.21 040	2607	8700	05414	Lodging
1050 IEXP-50308	03/23/06	03/27/06	179.77	66.11 040	2608	8700	05414	Lodging
1051 IEXP-50752	03/31/06	04/03/06	40.42	14.86 040	2605	8700	05414	Lodging
1052 IEXP-50972	04/04/06	04/06/06	34.23	12.59 040	2607	8700	05414	Lodging
1053 IEXP-51217	04/07/06	04/13/06	344.00	126.51 040	2731	8850	05414	Lodging
1054 IEXP-51217	04/07/06	04/13/06	344.00	126.51 040	2731	8850	05414	Lodging
1055 IEXP-51311	04/10/06	04/13/06	109.21	40.16 040	2631	8700	05414	Lodging
1056 IEXP-51311	04/10/06	04/13/06	109.21	40.16 040	2631	8850	05414	Lodging
1057 IEXP-51875	04/20/06	04/24/06	105.06	38.64 040	2605	8700	05414	Lodging
1058 IEXP-51984	04/21/06	05/01/06	236.42	86.95 040	2601	8700	05414	Lodging
1059 IEXP-52051	04/24/06	04/27/06	562.08	206.71 040	2608	8700	05414	Lodging
1060 IEXP-52288	04/27/06	05/01/06	87.35	32.12 040	2631	8700	05414	Lodging
1061 IEXP-52288	04/27/06	05/01/06	87.35	32.12 040	2631	8850	05414	Lodging
1062 IEXP-53272	05/12/06	05/15/06	22.04	8.11 040	2605	8700	05414	Lodging
1063 IEXP-54001	05/26/06	05/30/06	523.68	192.59 040	2608	8700	05414	Lodging
1064 IEXP-54193	05/31/06	06/05/06	149.26	54.89 040	2601	8700	05414	Lodging
1065 IEXP-54197	05/31/06	06/01/06	361.35	132.89 040	2603	8700	05414	Lodging
1066 IEXP-54407	06/02/06	06/05/06	31.66	11.64 040	2605	8700	05414	Lodging
1067 IEXP-55280	06/16/06	06/22/06	47.30	17.40 040	2631	8850	05414	Lodging
1068 IEXP-55280	06/16/06	06/22/06	47.31	17.40 040	2631	8700	05414	Lodging
1069 IEXP-55602	06/22/06	06/26/06	124.38	45.74 040	2605	8700	05414	Lodging
1070 IEXP-55825	06/26/06	06/29/06	224.24	82.47 040	2608	8700	05414	Lodging
1071 IEXP-55871	06/26/06	06/29/06	341.15	125.46 040	2731	8850	05414	Lodging
1072 IEXP-55871	06/26/06	06/29/06	341.16	125.47 040	2731	8700	05414	Lodging
1073 IEXP-56233	06/30/06	07/06/06	159.87	58.79 040	2601	8700	05414	Lodging
1074 IEXP-56235	06/30/06	07/06/06	190.05	69.89 040	2601	8700	05414	Lodging
1075 IEXP-56244	06/30/06	07/03/06	91.70	33.72 040	2605	8700	05414	Lodging
1076 IEXP-56651	07/10/06	07/13/06	370.61	136.30 040	2603	8700	05414	Lodging
1077 IEXP-56660	07/10/06	07/13/06	379.14	139.43 040	2603	8700	05414	Lodging
1078 IEXP-57114	07/18/06	07/24/06	31.66	11.64 040	2605	8700	05414	Lodging
1079 IEXP-57320	07/21/06	07/24/06	422.30	155.31 040	2608	8700	05414	Lodging

1080 IEXP-57358	07/21/06	07/24/06	211.85	77.91 040	2631	8850	05414	Lodging
1081 IEXP-57358	07/21/06	07/24/06	211.85	77.91 040	2631	8700	05414	Lodging
1082 IEXP-57463	07/24/06	07/31/06	47.49	17.46 040	2601	8700	05414	Lodging
1083 IEXP-58633	08/09/06	08/10/06	468.83	172.42 040	2608	8700	05414	Lodging
1084 IEXP-58925	08/11/06	08/14/06	509.65	187.43 040	2603	8700	05414	Lodging
1085 IEXP-58947	08/11/06	08/14/06	518.43	190.66 040	2603	8700	05414	Lodging
1086 IEXP-59097	08/14/06	08/21/06	579.02	212.94 040	2605	8700	05414	Lodging
1087 IEXP-60257	08/28/06	08/31/06	380.92	140.09 040	2603	8700	05414	Lodging
1088 IEXP-60320	08/28/06	08/31/06	49.25	18.11 040	2605	8700	05414	Lodging
1089 IEXP-60391	08/28/06	08/31/06	159.73	58.74 040	2603	8700	05414	Lodging
1090 IEXP-60442	08/29/06	09/05/06	331.36	121.86 040	2731	8700	05414	Lodging
1091 IEXP-60442	08/29/06	09/05/06	331.36	121.86 040	2731	8850	05414	Lodging
1092 IEXP-60490	08/29/06	09/05/06	143.27	52.69 040	2631	8700	05414	Lodging
1093 IEXP-60490	08/29/06	09/05/06	143.27	52.69 040	2631	8850	05414	Lodging
1094 IEXP-61732	09/12/06	09/14/06	109.08	40.12 040	2607	8700	05414	Lodging
1095 IEXP-61748	09/12/06	09/14/06	167.12	61.46 040	2608	8700	05414	Lodging
1096 IEXP-62663	09/20/06	09/21/06	31.66	11.64 040	2601	8700	05414	Lodging
1097 EXP060306	06/03/06	06/27/06	47.08	17.31 050	3431	8750	05414	Lodging
1098 EXP060306	06/03/06	06/27/06	62.74	23.07 050	3431	8870	05414	Lodging
1099 EXP060306	06/03/06	06/27/06	70.59	25.96 050	3431	8700	05414	Lodging
1100 EXP060306	06/03/06	06/27/06	78.43	28.84 050	3431	8740	05414	Lodging
1101 EXP060306	06/03/06	06/27/06	109.80	40.38 050	3431	8990	05414	Lodging
1102 IEXP-37599	10/12/05	10/13/05	139.30	51.23 050	3332	9120	05414	Lodging
1103 IEXP-39371	10/31/05	11/03/05	218.57	80.38 050	3308	9110	05414	Lodging
1104 IEXP-39493	10/31/05	11/07/05	79.14	29.10 050	3301	8700	05414	Lodging

1105 IEXP-40773	11/10/05	11/14/05	248.24	91.29 050	3304	8700	05414	Lodging
1106 IEXP-41110	11/14/05	11/17/05	294.09	108.15 050	3331	9120	05414	Lodging
1107 IEXP-41647	11/18/05	12/08/05	116.63	42.89 050	3301	8700	05414	Lodging
1108 IEXP-41652	11/18/05	12/08/05	137.76	50.66 050	3301	8700	05414	Lodging
1109 IEXP-41778	11/21/05	11/23/05	22.76	8.37 050	3431	8750	05414	Lodging
1110 IEXP-41778	11/21/05	11/23/05	30.34	11.16 050	3431	8870	05414	Lodging
1111 IEXP-41778	11/21/05	11/23/05	34.13	12.55 050	3431	8700	05414	Lodging
1112 IEXP-41778	11/21/05	11/23/05	37.93	13.95 050	3431	8740	05414	Lodging
1113 IEXP-41778	11/21/05	11/23/05	53.10	19.53 050	3431	8930	05414	Lodging
1114 IEXP-42516	12/02/05	12/05/05	240.43	88.42 050	3308	9110	05414	Lodging
1115 IEXP-43664	12/15/05	12/19/05	155.11	57.04 050	3301	8700	05414	Lodging
1116 IEXP-43894	12/19/05	12/22/05	478.46	175.96 050	3307	8700	05414	Lodging
1117 IEXP-44109	12/22/05	01/09/06	585.63	215.37 050	3331	9120	05414	Lodging
1118 IEXP-44467	01/02/06	01/05/06	160.19	58.91 050	3308	9110	05414	Lodging
1119 IEXP-44773	01/05/06	01/09/06	264.04	97.10 050	3304	8700	05414	Lodging
1120 IEXP-45638	01/16/06	01/19/06	65.84	24.21 050	3332	9120	05414	Lodging
1121 IEXP-46204	01/23/06	01/26/06	300.74	110.60 050	3304	8700	05414	Lodging
1122 IEXP-47211	02/02/06	02/06/06	365.19	134.30 050	3301	8700	05414	Lodging
1123 IEXP-47516	02/06/06	02/09/06	191.73	70.51 050	3308	9110	05414	Lodging
1124 IEXP-47550	02/06/06	02/09/06	18.07	6.65 050	3431	8750	05414	Lodging
1125 IEXP-47550	02/06/06	02/09/06	24.09	8.86 050	3431	8870	05414	Lodging
1126 IEXP-47550	02/06/06	02/09/06	27.10	9.97 050	3431	8700	05414	Lodging
1127 IEXP-47550	02/06/06	02/09/06	30.11	11.07 050	3431	8740	05414	Lodging
1128 IEXP-47550	02/06/06	02/09/06	42.16	15.50 050	3431	8930	05414	Lodging
1129 IEXP-47743	02/09/06	02/13/06	103.96	38.23 050	3304	8700	05414	Lodging
1130 IEXP-47743	02/09/06	02/13/06	202.05	74.31 050	3304	8700	05414	Lodging
1131 IEXP-48309	02/16/06	02/23/06	229.79	84.51 050	3301	8700	05414	Lodging
1132 IEXP-49235	03/03/06	03/06/06	283.37	104.21 050	3304	8700	05414	Lodging
1133 IEXP-49281	03/06/06	03/09/06	34.83	12.81 050	3431	8750	05414	Lodging



1134 IEXP-49281	03/06/06	03/09/06	46.45	17.08 050	3431	8870	05414	Lodging
1135 IEXP-49281	03/06/06	03/09/06	52.25	19.22 050	3431	8700	05414	Lodging
1136 IEXP-49281	03/06/06	03/09/06	58.06	21.35 050	3431	8740	05414	Lodging
1137 IEXP-49281	03/06/06	03/09/06	81.28	29.89 050	3431	8930	05414	Lodging
1138 IEXP-49526	03/09/06	03/13/06	100.91	37.11 050	3308	9110	05414	Lodging
1139 IEXP-49774	03/14/06	03/16/06	147.44	54.22 050	3301	8700	05414	Lodging
1140 IEXP-50100	03/20/06	03/23/06	294.00	108.12 050	3304	8700	05414	Lodging
1141 IEXP-50947	04/04/06	04/06/06	21.44	7.88 050	3431	8750	05414	Lodging
1142 IEXP-50947	04/04/06	04/06/06	28.59	10.51 050	3431	8870	05414	Lodging
1143 IEXP-50947	04/04/06	04/06/06	32.16	11.83 050	3431	8700	05414	Lodging
1144 IEXP-50947	04/04/06	04/06/06	35.74	13.14 050	3431	8740	05414	Lodging
1145 IEXP-50947	04/04/06	04/06/06	50.03	18.40 050	3431	8930	05414	Lodging
1146 IEXP-50948	04/04/06	04/06/06	15.33	5.64 050	3431	8750	05414	Lodging
1147 IEXP-50948	04/04/06	04/06/06	20.44	7.52 050	3431	8870	05414	Lodging
1148 IEXP-50948	04/04/06	04/06/06	23.00	8.46 050	3431	8700	05414	Lodging
1149 IEXP-50948	04/04/06	04/06/06	25.56	9.40 050	3431	8740	05414	Lodging
1150 IEXP-50948	04/04/06	04/06/06	35.78	13.16 050	3431	8930	05414	Lodging
1151 IEXP-51235	04/07/06	04/10/06	147.21	54.14 050	3308	9110	05414	Lodging
1152 IEXP-51816	04/19/06	04/24/06	135.69	49.90 050	3304	8700	05414	Lodging
1153 IEXP-51878	04/20/06	04/24/06	111.76	41.10 050	3304	8700	05414	Lodging
1154 IEXP-51994	04/21/06	05/01/06	354.63	130.42 050	3301	8700	05414	Lodging
1155 IEXP-52047	04/24/06	04/27/06	264.21	97.17 050	3332	9120	05414	Lodging
1156 IEXP-52799	05/05/06	05/08/06	195.31	71.83 050	3308	9110	05414	Lodging
1157 IEXP-52942	05/08/06	05/11/06	1,077.16	396.14 050	3332	9120	05414	Lodging
1158 IEXP-53154	05/11/06	05/15/06	35.54	13.07 050	3431	8750	05414	Lodging
1159 IEXP-53154	05/11/06	05/15/06	47.39	17.43 050	3431	8870	05414	Lodging
1160 IEXP-53154	05/11/06	05/15/06	53.31	19.61 050	3431	8700	05414	Lodging
1161 IEXP-53154	05/11/06	05/15/06	59.24	21.79 050	3431	8740	05414	Lodging
1162 IEXP-53154	05/11/06	05/15/06	82.93	30.50 050	3431	8930	05414	Lodging
1163 IEXP-54193	05/31/06	06/05/06	223.89	82.34 050	3301	8700	05414	Lodging
1164 IEXP-54623	06/06/06	06/12/06	101.13	37.19 050	3308	9110	05414	Lodging

1165 IEXP-54724	06/08/06	06/12/06	285.02	104.82 050	3304	8700	05414	Lodging	
1166 IEXP-54812	06/09/06	06/12/06	149.55	55.00 050	3332	9120	05414	Lodging	
1167 IEXP-55381	06/19/06	06/22/06	121.14	44.55 050	3304	8700	05414	Lodging	
1168 IEXP-56233	06/30/06	07/06/06	239.81	88.19 050	3301	8700	05414	Lodging	
1169 IEXP-56235	06/30/06	07/06/06	285.07	104.84 050	3301	8700	05414	Lodging	
1170 IEXP-56408	07/05/06	07/06/06	304.92	112.14 050	3308	9110	05414	Lodging	
1171 IEXP-56925	07/13/06	07/20/06	385.70	141.85 050	3332	9120	05414	Lodging	
1172 IEXP-56928	07/13/06	07/20/06	218.07	80.20 050	3304	8700	05414	Lodging	
1173 IEXP-57463	07/24/06	07/31/06	71.23	26.20 050	3301	8700	05414	Lodging	
1174 IEXP-58579	08/09/06	08/10/06	117.41	43.18 050	3308	9110	05414	Lodging	
1175 IEXP-58731	08/10/06	08/11/06	291.23	107.10 050	3332	9120	05414	Lodging	
1176 IEXP-60889	09/05/06	09/07/06	108.53	39.91 050	3308	9110	05414	Lodging	
1177 IEXP-61232	09/07/06	09/11/06	232.39	85.46 050	3304	8700	05414	Lodging	
1178 IEXP-61509	09/11/06	09/14/06	34.31	12.62 050	3332	9120	05414	Lodging	
1179 IEXP-61511	09/11/06	09/14/06	77.46	28.49 050	3304	8700	05414	Lodging	
1180 IEXP-61732	09/12/06	09/14/06	163.62	60.17 050	3307	8700	05414	Lodging	
1181 IEXP-62663	09/20/06	09/21/06	47.49	17.46 050	3301	8700	05414	Lodging	
1182 IEXP-43664	12/15/05	12/19/05	142.50	52.41 040	2601	8700	05416	Club Dues - Nondeductible	10,070.14
1183 IEXP-47211	02/02/06	02/06/06	53.00	19.49 040	2601	8700	05416	Club Dues - Nondeductible	
1184 IEXP-48309	02/16/06	02/23/06	132.50	48.73 040	2601	8700	05416	Club Dues - Nondeductible	
1185 IEXP-49774	03/14/06	03/16/06	123.00	45.23 040	2601	8700	05416	Club Dues - Nondeductible	
1186 IEXP-51994	04/21/06	05/01/06	132.50	48.73 040	2601	8700	05416	Club Dues - Nondeductible	
1187 IEXP-54193	05/31/06	06/05/06	132.50	48.73 040	2601	8700	05416	Club Dues - Nondeductible	
1188 IEXP-56233	06/30/06	07/06/06	44.52	16.37 040	2601	8700	05416	Club Dues - Nondeductible	

1189 IEXP-57463	07/24/06	07/31/06	26.50	9.75 040	2601	8700	05416	Club Dues - Nondeductible	
1190 IEXP-62663	09/20/06	09/21/06	53.00	19.49 040	2601	8700	05416	Club Dues - Nondeductible	
1191 IEXP-47211	02/02/06	02/06/06	79.50	29.24 050	3301	8700	05416	Club Dues - Nondeductible	
1192 IEXP-47743	02/08/06	02/13/06	207.00	76.13 050	3304	8700	05416	Club Dues - Nondeductible	
1193 IEXP-49774	03/14/06	03/16/06	184.50	67.85 050	3301	8700	05416	Club Dues - Nondeductible	
1194 IEXP-51816	04/19/06	04/24/06	4.55	1.67 050	3304	8700	05416	Club Dues - Nondeductible	
1195 IEXP-56233	06/30/06	07/06/06	66.78	24.56 050	3301	8700	05416	Club Dues - Nondeductible	
1196 IEXP-57463	07/24/06	07/31/06	39.75	14.62 050	3301	8700	05416	Club Dues - Nondeductible	
1197 IEXP-62663	09/20/06	09/21/06	79.50	29.24 050	3301	8700	05416	Club Dues - Nondeductible	552.23
1198 IEXP-38031	10/18/05	10/20/05	97.50	35.86 050	3431	8700	05417	Club Dues - Deductible	
1199 IEXP-53154	05/11/06	05/15/06	97.50	35.86 050	3431	8700	05417	Club Dues - Deductible	71.71
1200 IEXP-36968	10/03/05	10/06/05	11.87	4.37 040	2631	8700	05419	Misc Employee Expense	
1201 IEXP-36968	10/03/05	10/06/05	11.87	4.37 040	2631	8850	05419	Misc Employee Expense	
1202 IEXP-37709	10/13/05	10/17/05	13.78	5.07 040	2607	8700	05419	Misc Employee Expense	
1203 IEXP-38696	10/24/05	10/31/05	19.20	7.06 040	2603	8700	05419	Misc Employee Expense	
1204 IEXP-39070	10/27/05	10/31/05	33.01	12.14 040	2603	8700	05419	Misc Employee Expense	
1205 IEXP-39493	10/31/05	11/07/05	7.44	2.74 040	2601	8700	05419	Misc Employee Expense	
1206 IEXP-40301	11/07/05	11/10/05	5.03	1.85 040	2608	8700	05419	Misc Employee Expense	
1207 IEXP-40387	11/07/05	11/10/05	3.00	1.10 040	2605	8700	05419	Misc Employee Expense	
1208 IEXP-40833	11/10/05	11/14/05	16.44	6.05 040	2607	8700	05419	Misc Employee Expense	

1209 IEXP-41647	11/18/05	12/08/05	31.80	11.69 040	2601	8700	05419	Misc Employee Expense
1210 IEXP-41650	11/18/05	11/21/05	45.96	16.90 040	2608	8700	05419	Misc Employee Expense
1211 IEXP-41652	11/18/05	12/08/05	0.48	0.18 040	2601	8700	05419	Misc Employee Expense
1212 IEXP-42201	11/30/05	12/08/05	165.00	60.68 040	2603	8700	05419	Misc Employee Expense
1213 IEXP-42250	11/30/05	12/05/05	22.50	8.27 040	2603	8700	05419	Misc Employee Expense
1214 IEXP-42493	12/01/05	12/08/05	43.22	15.89 040	2607	8700	05419	Misc Employee Expense
1215 IEXP-44149	12/22/05	12/27/05	21.47	7.90 040	2607	8700	05419	Misc Employee Expense
1216 IEXP-44288	12/28/05	12/31/05	2.50	0.92 040	2608	8700	05419	Misc Employee Expense
1217 IEXP-45138	01/10/06	01/16/06	29.72	10.93 040	2607	8700	05419	Misc Employee Expense
1218 IEXP-45170	01/10/06	01/16/06	244.21	89.81 040	2731	8700	05419	Misc Employee Expense
1219 IEXP-45170	01/10/06	01/16/06	244.22	89.81 040	2731	8850	05419	Misc Employee Expense
1220 IEXP-45990	01/20/06	01/23/06	6.88	2.53 040	2608	8700	05419	Misc Employee Expense
1221 IEXP-47211	02/02/06	02/06/06	87.92	32.33 040	2601	8700	05419	Misc Employee Expense
1222 IEXP-48023	02/13/06	02/16/06	32.97	12.13 040	2607	8700	05419	Misc Employee Expense
1223 IEXP-48095	02/14/06	02/16/06	35.44	13.03 040	2631	8700	05419	Misc Employee Expense
1224 IEXP-48095	02/14/06	02/16/06	35.44	13.03 040	2631	8850	05419	Misc Employee Expense
1225 IEXP-48232	02/15/06	02/16/06	7.48	2.75 040	2608	8700	05419	Misc Employee Expense
1226 IEXP-48309	02/16/06	02/23/06	1.61	0.59 040	2601	8700	05419	Misc Employee Expense
1227 IEXP-48872	02/27/06	03/02/06	55.00	20.23 040	2603	8700	05419	Misc Employee Expense
1228 IEXP-49794	03/14/06	03/16/06	30.70	11.29 040	2607	8700	05419	Misc Employee Expense
1229 IEXP-50308	03/23/06	03/27/06	10.77	3.96 040	2608	8700	05419	Misc Employee Expense
1230 IEXP-50872	04/04/06	04/06/06	146.35	53.82 040	2607	8700	05419	Misc Employee Expense
1231 IEXP-51217	04/07/06	04/13/06	77.27	28.42 040	2731	8850	05419	Misc Employee Expense
1232 IEXP-51217	04/07/06	04/13/06	77.28	28.42 040	2731	8700	05419	Misc Employee Expense
1233 IEXP-51311	04/10/06	04/13/06	23.07	8.48 040	2631	8700	05419	Misc Employee Expense
1234 IEXP-51311	04/10/06	04/13/06	23.07	8.48 040	2631	8850	05419	Misc Employee Expense
1235 IEXP-51994	04/21/06	05/01/06	0.28	0.10 040	2601	8700	05419	Misc Employee Expense
1236 IEXP-52051	04/24/06	04/27/06	34.98	12.86 040	2608	8700	05419	Misc Employee Expense
1237 IEXP-52341	04/28/06	05/01/06	59.67	21.94 040	2607	8700	05419	Misc Employee Expense
1238 IEXP-54001	05/26/06	05/30/06	8.88	3.27 040	2608	8700	05419	Misc Employee Expense
1239 IEXP-54197	05/31/06	06/01/06	17.50	6.44 040	2603	8700	05419	Misc Employee Expense
1240 IEXP-55260	06/16/06	06/22/06	52.36	19.26 040	2631	8850	05419	Misc Employee Expense

1241 IEXP-55260	06/16/06	06/22/06	52.37	19.26 040	2631	8700	05419	Misc Employee Expense
1242 IEXP-55825	06/26/06	06/29/06	302.79	111.35 040	2608	8700	05419	Misc Employee Expense
1243 IEXP-55871	06/26/06	06/29/06	35.71	13.13 040	2731	8850	05419	Misc Employee Expense
1244 IEXP-55871	06/26/06	06/29/06	35.72	13.14 040	2731	8700	05419	Misc Employee Expense
1245 IEXP-56233	06/30/06	07/06/06	1.29	0.47 040	2601	8700	05419	Misc Employee Expense
1246 IEXP-56235	06/30/06	07/06/06	1.02	0.38 040	2601	8700	05419	Misc Employee Expense
1247 IEXP-56651	07/10/06	07/13/06	27.50	10.11 040	2603	8700	05419	Misc Employee Expense
1248 IEXP-56660	07/10/06	07/13/06	62.50	22.99 040	2603	8700	05419	Misc Employee Expense
1249 IEXP-57320	07/21/06	07/24/06	21.17	7.79 040	2608	8700	05419	Misc Employee Expense
1250 IEXP-57358	07/21/06	07/24/06	9.43	3.47 040	2631	8850	05419	Misc Employee Expense
1251 IEXP-57358	07/21/06	07/24/06	9.44	3.47 040	2631	8700	05419	Misc Employee Expense
1252 IEXP-57463	07/24/06	07/31/06	0.03	0.01 040	2601	8700	05419	Misc Employee Expense
1253 IEXP-58633	08/09/06	08/10/06	43.45	15.98 040	2608	8700	05419	Misc Employee Expense
1254 IEXP-58925	08/11/06	08/14/06	78.87	29.01 040	2603	8700	05419	Misc Employee Expense
1255 IEXP-58947	08/11/06	08/14/06	109.12	40.13 040	2603	8700	05419	Misc Employee Expense
1256 IEXP-60257	08/28/06	08/31/06	62.57	23.01 040	2603	8700	05419	Misc Employee Expense
1257 IEXP-60391	08/28/06	08/31/06	134.30	49.39 040	2603	8700	05419	Misc Employee Expense
1258 IEXP-60442	08/29/06	09/05/06	25.22	9.27 040	2731	8850	05419	Misc Employee Expense
1259 IEXP-60442	08/29/06	09/05/06	25.23	9.28 040	2731	8700	05419	Misc Employee Expense
1260 IEXP-60490	08/29/06	09/05/06	4.37	1.61 040	2631	8850	05419	Misc Employee Expense
1261 IEXP-60490	08/29/06	09/05/06	4.38	1.61 040	2631	8700	05419	Misc Employee Expense
1262 IEXP-61732	09/12/06	09/14/06	11.20	4.12 040	2607	8700	05419	Misc Employee Expense
1263 IEXP-61748	09/12/06	09/14/06	8.50	3.13 040	2608	8700	05419	Misc Employee Expense
1264 IEXP-62663	09/20/06	09/21/06	0.68	0.25 040	2601	8700	05419	Misc Employee Expense
1265 IEXP-38031	10/18/05	10/20/05	7.03	2.59 050	3431	8750	05419	Misc Employee Expense
1266 IEXP-38031	10/18/05	10/20/05	9.37	3.45 050	3431	8870	05419	Misc Employee Expense

1267 IEXP-38031	10/18/05	10/20/05	10/54	3.88 050	3431	8700	05419	Misc Employee Expense
1268 IEXP-38031	10/18/05	10/20/05	11.71	4.31 050	3431	8740	05419	Misc Employee Expense
1269 IEXP-38031	10/18/05	10/20/05	16.40	6.03 050	3431	8930	05419	Misc Employee Expense
1270 IEXP-39371	10/31/05	11/03/05	1.89	0.70 050	3308	9110	05419	Misc Employee Expense
1271 IEXP-39493	10/31/05	11/07/05	11.17	4.11 050	3301	8700	05419	Misc Employee Expense
1272 IEXP-40773	11/10/05	11/14/05	331.62	121.96 050	3304	8700	05419	Misc Employee Expense
1273 IEXP-41647	11/18/05	12/08/05	47.70	17.54 050	3301	8700	05419	Misc Employee Expense
1274 IEXP-41652	11/18/05	12/08/05	0.72	0.26 050	3301	8700	05419	Misc Employee Expense
1275 IEXP-42516	12/02/05	12/05/05	6.01	2.21 050	3308	9110	05419	Misc Employee Expense
1276 IEXP-44773	01/05/06	01/09/06	64.56	23.74 050	3304	8700	05419	Misc Employee Expense
1277 IEXP-46204	01/23/06	01/26/06	69.21	25.45 050	3304	8700	05419	Misc Employee Expense
1278 IEXP-46954	01/31/06	02/02/06	218.50	80.36 050	3304	8700	05419	Misc Employee Expense
1279 IEXP-47211	02/02/06	02/06/06	131.89	48.50 050	3301	8700	05419	Misc Employee Expense
1280 IEXP-47550	02/06/06	02/09/06	5.85	2.15 050	3431	8750	05419	Misc Employee Expense
1281 IEXP-47550	02/06/06	02/09/06	7.80	2.87 050	3431	8870	05419	Misc Employee Expense
1282 IEXP-47550	02/06/06	02/09/06	8.78	3.23 050	3431	8700	05419	Misc Employee Expense
1283 IEXP-47550	02/06/06	02/09/06	9.75	3.59 050	3431	8740	05419	Misc Employee Expense
1284 IEXP-47550	02/06/06	02/09/06	13.65	5.02 050	3431	8930	05419	Misc Employee Expense
1285 IEXP-47743	02/08/06	02/13/06	14.38	5.29 050	3304	8700	05419	Misc Employee Expense
1286 IEXP-47743	02/08/06	02/13/06	21.25	7.81 050	3304	8700	05419	Misc Employee Expense
1287 IEXP-48309	02/16/06	02/23/06	2.41	0.89 050	3301	8700	05419	Misc Employee Expense
1288 IEXP-49281	03/06/06	03/09/06	1.97	0.72 050	3431	8750	05419	Misc Employee Expense
1289 IEXP-49281	03/06/06	03/09/06	2.63	0.97 050	3431	8870	05419	Misc Employee Expense
1290 IEXP-49281	03/06/06	03/09/06	2.96	1.09 050	3431	8700	05419	Misc Employee Expense
1291 IEXP-49281	03/06/06	03/09/06	3.28	1.21 050	3431	8740	05419	Misc Employee Expense
1292 IEXP-49281	03/06/06	03/09/06	4.60	1.69 050	3431	8930	05419	Misc Employee Expense



1318 IEXP-54193	05/31/06	06/05/06	103.50	38.06 050	3301	8700	05420	Employee Development	
1319 IEXP-56233	06/30/06	07/06/06	360.00	132.39 050	3301	8700	05420	Employee Development	466.14
1320 IEXP-41650	11/18/05	11/21/05	201.00	73.92 040	2608	8700	05421	Training	
1321 IEXP-45990	01/20/06	01/23/06	212.50	78.15 040	2608	8700	05421	Training	
1322 IEXP-52051	04/24/06	04/27/06	360.00	132.39 040	2608	8700	05421	Training	
1323 IEXP-54001	05/26/06	05/30/06	87.50	32.18 040	2608	8700	05421	Training	
1324 IEXP-58633	08/09/06	08/10/06	287.50	105.73 040	2608	8700	05421	Training	422.37
1325 IEXP-58579	08/09/06	08/10/06	25.07	9.22 050	3303	8700	05422	Operator Qualifications Training	9.22
1326 IEXP-38031	10/18/05	10/20/05	660.00	242.72 050	3431	9260	07421	Service Awards	
1327 IEXP-39462	10/31/05	11/03/05	400.00	147.10 050	3431	9260	07421	Service Awards	389.83
<b>Total Kentucky / Mid-States Executive Expense Reports Allocated to Kentucky</b>			<b>\$</b>	<b>51,886</b>					
<b>Total SSU and Kentucky / Mid-States Executive Expense Reports Allocated to KY</b>			<b>\$</b>	<b>80,929</b>					
<b>Apply Inflation Factor of 2.5%</b>			<b>\$</b>	<b>82,952</b>					
<b>Round up for the purpose of the ratemaking adjustment</b>			<b>\$</b>	<b>100,000</b>					



**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 60**  
**Witness: Greg Waller**

**Data Request:**

With regard to the professional service expenses for the forecasted test year of \$420,422 shown on Schedule F-5, please provide the following information:

- a. Detailed listing, description (including account number) and dollar breakout of all professional service items making up the \$420,422. In addition, indicate which of these professional service expenses make up the Account 923 – Outside Services Employed forecasted test year amount of \$82,267.
- b. Equivalent actual professional service expenses for each of the years 2004, 2005 and 2006.

**Response:**

Please see attached spreadsheet labeled AG DR1-60.

The \$82,267 represents the direct Kentucky portion of professional service expenses.

Case 2006-0-04 AG DR1-60  
Test Year

Company	(All)						Allocated to
Account	(All)						Kentucky
W:\Mds\KY Rate Case\2006 KY Rate Case\Responses to Info needed revised\Item 16 KY Historic and projected Prof Serv acct 923.06111-06121.xls\Pivot FY04 Activity							
Sum of Journal Amount		Account	Sub Account	SubAccount Desc			
Service		9230	6111	Contract Labor		299,681	
2000			6121	Legal		2,633	
<b>2000 Total</b>						<b>302,314</b>	
9000		9230	6111	Contract Labor		3,371	
			6121	Legal		78,896	
<b>9000 Total</b>						<b>82,267</b>	
12000		9230	6111	Contract Labor		9,311	
<b>12000 Total</b>						<b>9,311</b>	
91000		9230	6111	Contract Labor		2,487	
			6121	Legal		24,043	
<b>91000 Total</b>						<b>26,530</b>	
<b>Grand Total</b>						<b>420,422</b>	

Company (All)

W:\MDS-KY Rate Case\2006 KY Rate Case\Responses to Info needed revised\Item 16 KY Historic and projected Prof Serv acct 923.06111-06121.xls\Pivot Jan06-Jan07

Sum of Journal Amount	Account	Sub Account	Account Description	Sub Acct Description	Allocation
	9230	6111	A&G-Outside services employed	Contract Labor	279,557
		6121	A&G-Outside services employed	Legal	8,289
<b>2000 Total</b>					287,846
9000	9230	6111	A&G-Outside services employed	Contract Labor	6,310
		6121	A&G-Outside services employed	Legal	56,670
<b>9000 Total</b>					62,981
12000	9230	6111	A&G-Outside services employed	Contract Labor	666
<b>12000 Total</b>					666
90000	9230	6111	A&G-Outside services employed	Contract Labor	0
<b>90000 Total</b>					0
91000	9230	6111	A&G-Outside services employed	Contract Labor	0
		6121	A&G-Outside services employed	Legal	0
<b>91000 Total</b>					0
<b>Grand Total</b>					351,493

0 Not allocated to Kentucky prior to October 1,2006

Case 2006-uv464 AG DR1-60  
FY05

Company (All)

W:\MIS\KY Rate Case\2006 KY Rate Case\AG Requests Set #1\AG 1st DR Case # 2006-00464\AG DR-1 Cover Sheets\Waller\Drafts\Case 2006-00464 AG DR 1-60 historical and forecast.xls]Test Year

Sum of Journal Amount	Account	Sub Account	Sub Acct Description	Allocated to
2000	9230	6111	Contract Labor	272,031
		6121	Legal	3,876
<b>2000 Total</b>				<b>275,907</b>
9000	9230	6111	Contract Labor	8,327
		6121	Legal	87,763
<b>9000 Total</b>				<b>96,090</b>
9500	9230	6111	Contract Labor	0
<b>9500 Total</b>				<b>0</b>
12000	9230	6111	Contract Labor	952
<b>12000 Total</b>				<b>952</b>
90000	9230	6111	Contract Labor	0
<b>90000 Total</b>				<b>0</b>
91000	9230	6111	Contract Labor	0
		6121	Legal	0
<b>91000 Total</b>				<b>0</b>
<b>91000 Total</b>				<b>0</b>
<b>Grand Total</b>				<b>372,949</b>

0 Not allocated to Kentucky prior to October 1, 2006

Case 2006-00464 AG DR1-60  
 FY06

Company (All)

W:\MidSt-KY Rate Case\2006 KY Rate Case\AG Requests Set #1\AG 1st DR Case # 2006-00464\AG DR-1 Cover Sheets\Waller\Drafts\Case 2006-00464 AG DR 1-60 historical and forecast.xls|Pivo

Sum of Journal Amount	Account	Sub Account	Sub Acct Description	Allocated to Kentucky
Service	9230	6111	Contract Labor	362,425
2000		6121	Legal	45
<b>2000 Total</b>				<b>362,470</b>
9000	9230	6111	Contract Labor	2,925
		6121	Legal	62,889
<b>9000 Total</b>				<b>65,814</b>
12000	9230	6111	Contract Labor	16,601
		6121	Legal	20
<b>12000 Total</b>				<b>16,621</b>
91000	9230	6111	Contract Labor	0
		6121	Legal	0
<b>91000 Total</b>				<b>0</b>
<b>Grand Total</b>				<b>444,905</b>

0 Not allocated to Kentucky prior to October 1,2006

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 61**  
**Witness: Greg Waller**

**Data Request:**

With regard to the rate case expenses shown on Schedule F-6, please provide the following information:

- a. Actual rate case expenses incurred in the Company's prior rate case, in total and broken out by similar components as shown on Schedule F-6.
- b. Basis for the projected expense amount of \$370,000.
- c. Actual expenses incurred to date for the current case, in total and broken out by similar components as shown on Schedule F-6.
- d. Where is the 3-year amortization amount of \$123,333 ( $\$370,000/3$ ) reflected for the forecasted test year in the O&M filing schedules and in which O&M expense account?

**Response:**

Item a: Please see attached

Item b: The projected expense amounts were roughly based upon recent rate case experience as well as consideration for the number of consultants, the number of witnesses in this case.

Item c: Please see Case 2006-00464 AG DR1-61 ATT item c

Item d:

The \$123,333 of rate case expense amortization was inadvertently excluded from O&M expense in the forecasted test year in the original filing. However, it will be included as part of the revisions identified on AG DR1-1.

Atmos Energy Corp, KY  
Case No. 2006-00464  
Rate Case Expense from Prior Case

<u>Description</u>	<u>Amount</u>
1 Consultants	268,264.72
2 Legal	105,125.05
3 Public Notice	27,568.84
4 Printing	4,851.14
5 Employee Expense	13,633.68
6 Misc.	1,508.94
7 Labor	2,183.76
8 Office Supplies	<u>7,349.55</u>
9 Total	<u><u>430,485.68</u></u>

Almos Energy Corp, KY  
Case No. 2006-00464  
AG DRI -61c Alt. item c  
Current KY Rate Case Expense As of January, 2007

Schedule 61 c  
Witness: G. Waller

<b>Consulting</b>		
Deloitte & Touche	\$ 69,985	
Depreciation Specialty Resources Group	4,400	
sub-total		\$ 74,385
<b>Legal Fees</b>		
<b>Employee Expense</b>		
(airfare, lodging, meals, etc.)	1,282	
<b>Miscellaneous Expense</b>		
(printing, advertising, etc.)	52,217	
<b>Total Rate Case Expense as of January 2007</b>		<b>\$ 127,884</b>



**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 62**  
**Witness: Greg Waller**

**Data Request:**

With regard to incentive compensation programs offered to the employees of the Kentucky Division and the SSU and General Office Divisions, please provide the following information:

- a. Management summary of the various types of incentive compensation programs offered by the Company to its employees. For each separate incentive compensation program offered, this management summary should include descriptions of the type and level and employees that may participate in the program, as well as the type of performance goals that must be achieved in order to receive incentive compensation from the particular program.
- b. Copies of all internal Company documents describing each of the incentive compensation programs offered by the Company to its employees.
- c. Actual incentive compensation expenses included in the forecasted test year. Please present these incentive compensation expenses as follows: (1) Kentucky Direct expenses, in total and broken out by incentive compensation program, as well as an indication of what portion of these expenses is charged to the forecasted test year O&M expense; and (2) Allocated expenses from the SSU and General Office, in total and broken out by incentive compensation program, as well as an indication of what portion of these expenses is charged to the forecasted test year O&M expense.
- d. In the same format as per the response to part c above, provide the actual incentive compensation expenses booked for Kentucky Direct and allocated from the SSU and General Office in 2004, 2005 and 2006.
- e. Percentage of incentive compensation expenses claimed in this case that is a function of reaching financial performance goals. In addition, describe these financial performance goals.

**Response:**

**Item A:**

The Company has three incentive compensation plans – the Variable Pay Plan, the Management Incentive Plan and the Long Term Incentive Plan for Management.

*Variable Pay Plan*

The Variable Pay Plan, or “VPP”, is a broad based incentive compensation plan in which virtually all employees of the Company participate (except for those included in the

Management Incentive Plan or the “MIP”). The plan provides all eligible employees with the opportunity to earn a cash-based incentive award based upon the Company’s return on equity performance which is expressed to participants as an earnings per share target (EPS). With one exception, all Company employees that do not participate in the MIP plan participate in the VPP. The exception rests with a group of collective bargaining employees in Mississippi (reference, Mississippi Local Union 1047C) that has not bargained to participate in the VPP plan. It should be noted that the Company’s other bargaining unit has negotiated with management to participate in the VPP plan.

The VPP pays an annual cash award which is targeted to be 2 percent of base salary plus other forms of base compensation (e.g., overtime and other premium pay rates are included in the determination of base compensation). Should the Company attain its target level of EPS during the course of the fiscal year, the plan will pay cash awards following the September 30 close of the fiscal year. Typically, such awards are paid to participants in the form of cash awards in November following the close of the Company’s financial reporting. Plan awards are determined by threshold and maximum levels of performance. The plan provides awards equal to 1 percent of base compensation for the threshold level of performance, and the maximum level of performance results in a payment of 3 percent of base compensation. Awards under the VPP are capped at 3 percent of base compensation. For performance levels achieved which are between the stated threshold, target, and maximum levels of performance, awards are calculated on a straight line interpolated basis.

The range of outcomes between threshold, target, and maximum for awards under the VPP are based upon the Company’s budgeted return on equity at target and moving 100 basis points below budgeted return on equity for the threshold and 100 basis points above budgeted ROE for maximum performance. As an example, the following schedule sets forth the determination of the performance levels of threshold, target, and maximum performance targets for the VPP for the fiscal year 2006 plan year:

<b><u>VPP Performance Schedule – 2006 Fiscal Year</u></b>				
<i>Performance Level</i>	<i>Annual EPS</i>	<i>ROE</i>	<i>Basis for Performance Target</i>	<i>Payout as Percent of Base Compensation</i>
Threshold	\$1.59	8.00%	100 basis points below budget ROE	1%
Target	\$1.80	9.00%	2006 Budget	2%
Maximum	\$2.01	10.0%	100 basis points above budget ROE	3%

As designed, the plan offers award opportunities only when the Company reaches or exceeds desired levels of profitability as measured by both return on equity and earnings per share. For participants, the performance targets are expressed only as levels of EPS so that participants have a clear line of sight to what they are being measured for as well as how they can influence results. EPS is measured as the Company’s net income

divided by total shares outstanding. Participants understand that net income is a function of both revenues and expenses, and that the best way in which they can influence EPS results is being mindful of unnecessary costs, customer service levels, safety incidents, and productivity. These actions are beneficial to all constituents of Atmos: ratepayers, shareholders, employees and the communities served by the Company.

The VPP was developed in concert with the Company's development and adoption of a new overall compensation strategy set forth in 1998 and referred to as "Total Rewards." The plan was initially implemented in fiscal year 1999 and the plan paid no awards for that year since the Company failed to reach its threshold level of EPS performance. The Company also failed to reach the threshold level of EPS in fiscal year 2000, and no awards were paid in that year as well. The plan paid its first awards to participants in fiscal year 2001, and in that year the plan paid awards at 2.15 percent of base compensation to 2,217 participants. In the schedule below, we have reported the payment history of the VPP from fiscal year 2001 through fiscal year 2006, including the number of participants, the total payment, average payment per participant, the corresponding EPS achievement for the performance period, and the percentage of a participant's base compensation for determination of the award level.

<b><u>Variable Pay Plan ("VPP") Payment History</u></b>						
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Number of participants	2,217	2,108	2,475	2,362	3,846	4,161
Total payment	\$1,661,441.00	\$1,286,448.00	\$1,741,541.74	\$2,415,122.12	\$3,703,635.58	\$4,243,571.32
Average payment per participant	\$749.41	\$610.27	\$703.65	\$1,022.49	\$962.98	\$1,019.84
EPS	\$1.56	\$1.45	\$1.54	\$1.63	\$1.72	\$1.82
Award Percentage	2.15%	1.45%	1.71%	2.38%	2.12%	2.10%

#### *Management Incentive Plan*

The Management Incentive Plan, or "MIP", is an extension of the VPP and is limited to a select group of management employees who are responsible for directing and overseeing the day-to-day operations of the Company. In fiscal year 2006, 127 Company officers and other senior managers and directors participated in the plan and received awards. The MIP provides the management team with the opportunity to earn a cash-based incentive award based upon the Company's return on equity performance which is expressed to participants as an EPS target.

Participants in the plan receive a target award opportunity each year expressed as a percentage of base compensation. The target award opportunities vary by salary grade, and the opportunities increase with corresponding higher salary grades as management responsibility increases. These target award opportunity percentages are directly tied to

the 50<sup>th</sup> percentile of competitive market survey data for positions of comparable responsibility for energy services companies of similar size. The size of target awards range from 20 percent of base compensation at target for salary grade 7 up to a target opportunity of 80 percent of base compensation for the CEO position. In addition to a target incentive opportunity, there are threshold and maximum levels of payment opportunity based upon a predetermined set of performance outcomes. For the threshold level of performance, a participant would receive 50 percent of his target award opportunity. For attainment of the maximum level of performance, a participant would receive 200 percent of his target award opportunity.

The annual performance targets for the MIP are the same performance targets for the VPP, as determined by the return on equity target converted to an EPS target. For example, the MIP performance scale for fiscal year 2006 was essentially the same as that for the VPP, as shown in the table below:

<b>MIP Performance Schedule – 2006 Fiscal Year</b>				
<i>Performance Level</i>	<i>Annual EPS</i>	<i>ROE</i>	<i>Basis for Performance Target</i>	<i>Payout as Percent of Participant's Target Opportunity</i>
Threshold	\$1.59	8.00%	100 basis points below budget ROE	50%
Target	\$1.80	9.00%	2006 Budget	100%
Maximum	\$2.01	10.0%	100 basis points above budget ROE	200%

As with the VPP, the MIP pays awards only when the Company reaches or exceeds desired levels of profitability as measured by both return on equity and earnings per share. Participants in the MIP are cognizant of the EPS targets and manage for the same performance metrics that influence EPS results as with the VPP: managing unnecessary costs, being attentive to customer service levels, minimizing safety incidents, and enhancing employee productivity.

The MIP was implemented at the same time that the VPP plan was implemented in fiscal year 1999 and has been an integral part of the Total Rewards program. The plan did not pay incentive awards in either fiscal year 1999 or fiscal year 2000 since the Company did not achieve its threshold level of EPS performance. Since fiscal year 2001, the plan has provided payments as follows to its participants:

<b>Management Incentive Plan (“MIP”) Payment History</b>						
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Number of participants	83	85	93	92	99	127
Total payments	\$1,839,175.00	\$1,824,300.00	\$2,195,100.00	\$3,805,400.00	\$3,318,300.00	\$6,244,400.00
Average payment per participant	\$22,159	\$21,462	\$23,603	\$41,363	\$33,518	\$49,169
EPS	\$1.56	\$1.45	\$1.54	\$1.63	\$1.72	\$1.82

### *Long Term Incentive Plan*

The Long Term Incentive Plan for Management, or “LTIP”, is an equity-based incentive program which focuses upon the long-term strength and financial viability of the Company. Since 2003, the LTIP has provided long-term incentives to its management team in two forms: (1) time-lapse restricted shares; and (2) performance-based restricted share units. Long-term incentives are granted annually to participants and are based upon competitive long-term expected values awarded at the 50<sup>th</sup> percentile of competitive market practice. The long-term awards are allocated by taking 50 percent of the total award opportunity and granting that portion in time-lapse restricted shares, and taking the remaining 50 percent of the total award opportunity and granting that portion in performance-based restricted shares.

Time-lapse restricted shares awarded under the LTIP are subject to a three-year restricted period. The shares are paid to the participant free of restrictions following the three-year service period from the date of grant. During the restricted period, the dividends on the time-lapse restricted shares are paid at the same rate as such dividends are declared for all of the Company’s common shares. The performance-based restricted share units must be earned over a three-year performance period. The performance measure for determination of the number of units earned is the Company’s cumulative three-year earnings per share (EPS) compared to the planned or targeted level of EPS for the same period. If the Company achieves 100 percent of the EPS three-year target, the participant will receive 100 percent of the performance share units granted. If the Company achieves only the threshold level of three-year EPS performance, the participant will receive 50 percent of the performance share units granted. If the Company achieves the maximum level of three-year EPS performance, the participant will receive 150 percent of the performance share units granted. Dividends on the performance-based restricted share units are credited to the participant’s account with the payment of such dividends not occurring until the three-year cumulative earnings per share performance targets are measured at the end of the three-year performance measurement cycle.

The purpose of the long-term performance incentive is to focus management's attention upon the long-term sustained results through superior earnings performance. As with the annual incentive plan, superior earnings performance comes from actions like managing excessive and unnecessary costs, driving performance through enhanced productivity, eliminating accidents and safety incidents, and managing customer service levels. These actions are the focus of an extended time period of three years with respect to long-term incentives.

**Item B:**

See summary plan documents attached hereto and labeled AG DR1-62 ATT1 Item b, AG DR1-62 ATT2 Item b and AG DR1-62 ATT3 Item b.

**Item C:**

See schedule attached hereto and labeled AG DR1-62 ATT 4 item c.

**Item D:**

See schedule attached hereto and labeled AG DR1-62 ATT 5 item d

**Item E:**

The MIP/VPP and performance based LTIP are awarded as a function of meeting financial goals as described in part a above. The time lapse restricted shares portion of LTIP is not directly tied to meeting EPS goals.

**ATMOS ENERGY CORPORATION**  
**1998 LONG-TERM INCENTIVE PLAN**

**Effective: October 1, 1998**  
**(as amended and restated February 14, 2002)**

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**ATMOS ENERGY CORPORATION  
1998 LONG-TERM INCENTIVE PLAN  
(as amended and restated February 14, 2002)**

The Atmos Energy Corporation 1998 Long-Term Incentive Plan (hereinafter called the "Plan") was adopted by the Board of Directors of Atmos Energy Corporation, a Texas and Virginia corporation (hereinafter called the "Company") on August 12, 1998 to be effective October 1, 1998, and was approved by the Company's shareholders on February 10, 1999. The Plan was amended by the Board of Directors on August 8, 2001 to provide for an increase of 2,500,000 additional shares available for issuance under the Plan, which amendment was approved by the Company's shareholders on February 13, 2002.

**ARTICLE 1**

**PURPOSE**

The purpose of the Plan is to attract and retain the services of able persons as employees of the Company and its Subsidiaries and as Non-employee Directors (as herein defined), to provide such persons with a proprietary interest in the Company through the granting of incentive stock options, non-qualified stock options, stock appreciation rights, or restricted stock, and to motivate employees and Non-employee Directors using performance-related incentives linked to longer-range performance goals and the interests of the Company's shareholders, whether granted singly, or in combination, or in tandem, that will

- (a) increase the interest of such persons in the Company's welfare;
- (b) furnish an incentive to such persons to continue their services for the Company; and
- (c) provide a means through which the Company may attract able persons as employees and Non-employee Directors.

With respect to Reporting Participants, the Plan and all transactions under the Plan are intended to comply with all applicable conditions of Rule 16b-3 promulgated under the Securities Exchange Act of 1934 (the "1934 Act"). To the extent any provision of the Plan or action by the Committee fails to so comply, it shall be deemed null and void *ab initio*, to the extent permitted by law and deemed advisable by the Committee. Further, any Awards granted under the Plan to a Non-employee Director shall be solely to compensate said Director for his services to the Company as a Non-employee Director.

## ARTICLE 2

### DEFINITIONS

For the purpose of the Plan, unless the context requires otherwise, the following terms shall have the meanings indicated:

2.1 "Award" means the grant of any Incentive Stock Option, Non-qualified Stock Option, SAR, Restricted Stock, Restricted Stock Unit, Performance Unit, Performance Share, Bonus Stock or other Stock Unit Award whether granted singly, in combination or in tandem (each individually referred to herein as an "Incentive"). "Award" also means any Incentive to which an award under the Management Incentive Plan is made or converted.

2.2 "Award Agreement" means a written agreement between a Participant and the Company, which sets out the terms of the grant of an Award.

2.3 "Award Period" means the period during which one or more Incentives granted under an Award may be exercised or earned.

2.4 "Board" means the Board of Directors of the Company.

2.5 "Bonus Stock" means an Award granted pursuant to Section 6.8 of the Plan expressed as a share of Common Stock which may or may not be subject to restrictions.

2.6 (a) "Change in Control" of the Company shall be deemed to have occurred if:

(i) Any "Person" (as defined in Section 2.6(b)(i) below), other than (1) the Company or any of its Subsidiaries, (2) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (3) an underwriter temporarily holding securities pursuant to an offering of such securities, or (4) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company, is or becomes the "beneficial owner" (as defined in Section 2.6(b)(ii) below), directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person any securities acquired directly from the Company or its Affiliates) representing 33-1/3% or more of the combined voting power of the Company's then outstanding securities, or 33-1/3% or more of the then outstanding common stock of the Company, excluding

any Person who becomes such a beneficial owner in connection with a transaction described in subparagraph (iii)(A) below.

(ii) During any period of two consecutive years (the "Period"), individuals who at the beginning of the Period constitute the Board of Directors of the Company and any "new director" (as defined in Section 2.6(b)(iii) below) cease for any reason to constitute a majority of the Board of Directors.

(iii) There is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, except if:

(A) the merger or consolidation would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least sixty percent (60%) of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation; or

(B) the merger or consolidation is effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates other than in connection with the acquisition by the Company or its Affiliates of a business) representing 60% or more of the combined voting power of the Company's then outstanding securities;

(iv) The shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 60% of the combined voting power of the voting securities of which are owned by the stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

(b) Definitions. For purposes of Section 2.6(a) above,

(i) "Person" shall have the meaning given in Section 3(a)(9) of the 1934 Act as modified and used in Sections 13(d) and 14(d) of the 1934 Act.

(ii) "Beneficial owner" shall have the meaning provided in Rule 13d-3 under the 1934 Act.

(iii) "New director" shall mean an individual whose election by the Company's Board of Directors or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the Period or whose election or nomination for election was previously so approved or recommended. However, "new director" shall not include a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation relating to the election of directors of the Company.

(iv) "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the 1934 Act.

2.7 "Code" means the Internal Revenue Code of 1986, as amended, together with the published rulings, regulations, and interpretations duly promulgated thereunder.

2.8 "Committee" means the committee appointed or designated by the Board to administer the Plan in accordance with Article 3 of this Plan.

2.9 "Common Stock" means the common stock, with no par value (stated value of \$.005 per share), which the Company is currently authorized to issue or may in the future be authorized to issue.

2.10 "Company" means Atmos Energy Corporation, a Texas and Virginia corporation, and any successor entity.

2.11 "Covered Participant" means a Participant who is a "covered employee" as defined in Section 162(m)(3) of the Code, and the regulations promulgated thereunder, or who the Committee believes will be such a covered employee for a Performance Period, and who the Committee believes will have remuneration in excess of \$1,000,000 for the Performance Period, as provided in Section 162(m) of the Code.

2.12 "Date of Grant" means the effective date on which an Award is made to a Participant as set forth in the applicable Award Agreement; provided, however,

that solely for purposes of Section 16 of the 1934 Act and the rules and regulations promulgated thereunder, the Date of Grant of an Award shall be the date of stockholder approval of the Plan if such date is later than the effective date of such Award as set forth in the Award Agreement.

2.13 “Employee” means common law employee (as defined in accordance with the Regulations and Revenue Rulings then applicable under Section 3401(c) of the Code) of the Company or any Subsidiary of the Company.

2.14 “Fair Market Value” of a share of Common Stock is the mean of the highest and lowest prices per share on the New York Stock Exchange Consolidated Tape, or such reporting service as the Board may select, on the appropriate date, or in the absence of reported sales on such day, the most recent previous day for which sales were reported.

2.15 “Incentive Stock Option” or “ISO” means an incentive stock option within the meaning of Section 422 of the Code, granted pursuant to this Plan.

2.16 “Management Incentive Plan” means the Atmos Energy Corporation Annual Incentive Plan for Management, as amended from time to time.

2.17 “Non-employee Director” means a member of the Board who is not an Employee and who satisfies the requirements of Rule 16b-3(b)(3) promulgated under the 1934 Act or any successor provision.

2.18 “Non-qualified Stock Option” or “NQSO” means a non-qualified stock option, granted pursuant to this Plan.

2.19 “Option Price” means the price which must be paid by a Participant upon exercise of a Stock Option to purchase a share of Common Stock.

2.20 “Participant” shall mean an Employee or Non-employee Director to whom an Award is granted under this Plan.

2.21 “Performance Award” means a performance-based Award, which may be in the form of either Performance Shares or Performance Units.

2.22 “Performance Criteria” or “Performance Goals” or “Performance Measures” mean the objectives established by the Committee for a Performance Period, for the purpose of determining when an Award subject to such objectives is earned.

2.23 “Performance Period” means the time period designated by the Committee during which performance goals must be met.

2.24 “Performance Share” means an Award, designated as a Performance Share, granted to a Participant pursuant to Section 6.7 hereof, the value of which is

determined, in whole or in part, by the value of Common Stock in a manner deemed appropriate by the Committee and described in the Agreement.

2.25 "Performance Unit" means an Award, designated as a Performance Unit, granted to a Participant pursuant to Section 6.7 hereof, the value of which is determined, in whole or in part, by the attainment of pre-established goals relating to Company financial or operating performance as deemed appropriate by the Committee and described in the Award Agreement.

2.26 "Plan" means The Atmos Energy Corporation 1998 Long-Term Incentive Plan, as amended from time to time.

2.27 "Reporting Participant" means a Participant who is subject to the reporting requirements of Section 16 of the 1934 Act.

2.28 "Restricted Stock" means shares of Common Stock issued or transferred to a Participant pursuant to Section 6.4 of this Plan which are subject to restrictions or limitations set forth in this Plan and in the related Award Agreement.

2.29 "Restricted Stock Unit" means a fixed or variable dollar denominated right to acquire Common Stock, which may or may not be subject to restrictions, contingently awarded under Section 6.4 of the Plan.

2.30 "Retirement" means any Termination of Service solely due to retirement upon attainment of age 65, or permitted early retirement as determined by the Committee.

2.31 "SAR" means the right to receive a payment, in cash and/or Common Stock, equal to the excess of the Fair Market Value of a specified number of shares of Common Stock on the date the SAR is exercised over the SAR Price for such shares.

2.32 "SAR Price" means the Fair Market Value of each share of Common Stock covered by an SAR, determined on the Date of Grant of the SAR.

2.33 "Stock Option" means a Non-qualified Stock Option or an Incentive Stock Option.

2.34 "Stock Unit Award" means awards of Common Stock or other awards pursuant to Section 6.9 hereof that are valued in whole or in part by reference to, or are otherwise based on, shares of Common Stock or other securities of the Company.

2.35 "Subsidiary" means (i) any corporation in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing a majority of the total combined voting power of all classes of stock in one of the other corporations in the chain, (ii) any limited partnership, if the Company or any corporation described in

item (i) above owns a majority of the general partnership interest and a majority of the limited partnership interests entitled to vote on the removal and replacement of the general partner, and (iii) any partnership or limited liability company, if the partners or members thereof are composed only of the Company, any corporation listed in item (i) above or any limited partnership listed in item (ii) above. "Subsidiaries" means more than one of any such corporations, limited partnerships, partnerships or limited liability companies.

2.36 "Termination of Service" occurs when a Participant who is an Employee or Non-employee Director shall cease to serve as an Employee or Non-employee Director for any reason.

2.37 "Total and Permanent Disability" means a Participant is qualified for long-term disability benefits under The Atmos Energy Corporation Group Long-Term Disability Plan as in effect from time to time; or, if such Plan is not then in existence, that the Participant, because of ill health, physical or mental disability or any other reason beyond his or her control, is unable to perform his or her duties of employment for a period of six (6) continuous months, as determined in good faith by the Committee; provided that, with respect to any Incentive Stock Option, Total and Permanent Disability shall have the meaning given it under the rules governing Incentive Stock Options under the Code.

### ARTICLE 3

#### ADMINISTRATION

The Plan shall be administered by the Human Resources Committee of the Board (the "Committee") unless otherwise determined by the Board. If said Human Resources Committee does not so serve, the Committee shall consist of not fewer than two persons; any member of the Committee may be removed at any time, with or without cause, by resolution of the Board; and any vacancy occurring in the membership of the Committee may be filled by appointment by the Board.

All actions to be taken by the Committee under this Plan, insofar as such actions affect compliance with Section 162(m) of the Code, shall be limited to those members of the Board who are Non-employee Directors and who are "outside directors" under Section 162(m). The Committee shall select one of its members to act as its Chairman. A majority of the Committee shall constitute a quorum, and the act of a majority of the members of the Committee present at a meeting at which a quorum is present shall be the act of the Committee.

The Committee shall determine and designate from time to time the eligible persons to whom Awards will be granted and shall set forth in each related Award Agreement the Award Period, the Date of Grant, and such other terms, provisions, limitations, and performance requirements, as are approved by the Committee, but not inconsistent with the Plan, including, but not limited to, any rights of the



Committee to cancel or rescind any such Award. The Committee shall determine whether an Award shall include one type of Incentive, two or more Incentives granted in combination, or two or more Incentives granted in tandem (that is, a joint grant where exercise of one Incentive results in cancellation of all or a portion of the other Incentive).

The Committee, in its discretion, shall (i) interpret the Plan, (ii) prescribe, amend, and rescind any rules and regulations necessary or appropriate for the administration of the Plan, and (iii) make such other determinations and take such other action as it deems necessary or advisable in the administration of the Plan. Any interpretation, determination, or other action made or taken by the Committee shall be final, binding, and conclusive on all interested parties.

With respect to restrictions in the Plan that are based on the requirements of Rule 16b-3 promulgated under the 1934 Act, Section 422 of the Code, Section 162(m) of the Code, the rules of any exchange or inter-dealer quotation system upon which the Company's securities are listed or quoted, or any other applicable law, rule or restriction (collectively, "applicable law"), to the extent that any such restrictions are no longer required by applicable law, the Committee shall have the sole discretion and authority to grant Awards that are not subject to such mandated restrictions and/or to waive any such mandated restrictions with respect to outstanding Awards.

## **ARTICLE 4**

### **ELIGIBILITY**

Any Employee (including an Employee who is also a director or an officer) and any Non-employee Director is eligible to participate in the Plan. The Committee, upon its own action, may grant, but shall not be required to grant, an Award to any Employee or any Non-employee Director. Awards may be granted by the Committee at any time and from time to time to new Participants, or to then Participants, or to a greater or lesser number of Participants, and may include or exclude previous Participants, as the Committee shall determine. Except as required by this Plan, different Awards need not contain similar provisions. The Committee's determinations under the Plan (including without limitation determinations of which Employees or Non-employee Directors, if any, are to receive Awards, the form, amount and timing of such Awards, the terms and provisions of such Awards and the agreements evidencing same) need not be uniform and may be made by it selectively among Employees and Non-employee Directors who receive, or are eligible to receive, Awards under the Plan.

## ARTICLE 5

### SHARES SUBJECT TO PLAN

Subject to adjustment as provided in Articles 14 and 15, the maximum number of shares of Common Stock that may be delivered pursuant to Awards granted under the Plan is (a) 4,000,000 shares; plus (b) shares of Common Stock previously subject to Awards which are forfeited, terminated, cancelled or rescinded, settled in cash in lieu of Common Stock, or exchanged for Awards that do not involve Common Stock, or expired unexercised.

Shares to be issued may be made available from authorized but unissued Common Stock, Common Stock held by the Company in its treasury, or Common Stock purchased by the Company on the open market or otherwise. During the term of this Plan, the Company will at all times reserve and keep available the number of shares of Common Stock that shall be sufficient to satisfy the requirements of this Plan.

## ARTICLE 6

### GRANT OF AWARDS

**6.1 In General.** The grant of an Award shall be authorized by the Committee and shall be evidenced by an Award Agreement setting forth the Incentive or Incentives being granted, the total number of shares of Common Stock subject to the Incentive(s), the Option Price (if applicable), the Award Period, the Date of Grant, and such other terms, provisions, limitations, and performance objectives, as are approved by the Committee, but not inconsistent with the Plan. The Company shall execute an Award Agreement with a Participant after the Committee approves the issuance of an Award. Any Award granted pursuant to this Plan must be granted within ten (10) years of the date of adoption of this Plan. The grant of an Award to a Participant shall not be deemed either to entitle the Participant to, or to disqualify the Participant from, receipt of any other Award under the Plan.

If the Committee establishes a purchase price for an Award, the Participant must accept such Award within a period of 30 days (or such shorter period as the Committee may specify) after the Date of Grant by executing the applicable Award Agreement and paying such purchase price.

**6.2 Maximum ISO Grants.** The Committee may not grant Incentive Stock Options under the Plan to any Employee which would permit the aggregate Fair Market Value (determined on the Date of Grant) of the Common Stock with respect to which Incentive Stock Options (under this and any other plan of the Company and its Subsidiaries) are exercisable for the first time by such Employee

during any calendar year to exceed \$100,000. To the extent any Stock Option granted under this Plan, which is designated as an Incentive Stock Option exceeds this limit or otherwise fails to qualify as an Incentive Stock Option, such Stock Option shall be a Non-qualified Stock Option. The Committee may not grant Incentive Stock Options to Non-employee Directors.

**6.3 Maximum Individual Grants.** No Participant may receive during any fiscal year of the Company Awards of Stock Options and SARs covering an aggregate of more than five hundred thousand (500,000) shares of Common Stock.

**6.4 Restricted Stock/Restricted Stock Units.** If Restricted Stock and/or Restricted Stock Units are granted to a Participant under an Award, the Committee shall set forth in the related Award Agreement: (i) the number of shares of Common Stock and/or the number of Restricted Stock Units awarded, (ii) the price, if any, to be paid by the Participant for such Restricted Stock and/or Restricted Stock Units, (iii) the time or times within which such Award may be subject to forfeiture, (iv) specified Performance Goals of the Company, a Subsidiary, any division thereof or any group of Employees of the Company, or other criteria, which the Committee determines must be met in order to remove any restrictions (including vesting) on such Award, and (v) all other terms, limitations, restrictions, and conditions of the Restricted Stock and/or Restricted Stock Units, which shall be consistent with this Plan. The provisions of Restricted Stock and/or Restricted Stock Units need not be the same with respect to each Participant.

(a) Legend on Shares. Each Participant who is awarded Restricted Stock shall be issued a stock certificate or certificates in respect of such shares of Common Stock. Such certificate(s) shall be registered in the name of the Participant, and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock, substantially as provided in Section 18.12 of the Plan. The Committee may require that the stock certificates evidencing shares of Restricted Stock be held in custody by the Company until the restrictions thereon shall have lapsed, and that the Participant deliver to the Committee a stock power or stock powers, endorsed in blank, relating to the shares of Restricted Stock.

(b) Restrictions and Conditions. Shares of Restricted Stock and Restricted Stock Units shall be subject to the following restrictions and conditions:

(i) Subject to the other provisions of this Plan and the terms of the particular Award Agreements, during such period as may be determined by the Committee commencing on the Date of Grant (the "Restriction Period"), the Participant shall not be permitted to sell, transfer, pledge or assign shares of Restricted Stock and/or Restricted Stock Units. Except for

these limitations, the Committee may in its sole discretion, remove any or all of the restrictions on such Restricted Stock and/or Restricted Stock Units whenever it may determine that, by reason of changes in applicable laws or other changes in circumstances arising after the date of the Award, such action is appropriate.

(ii) Except as provided in subparagraph (i) above, the Participant shall have, with respect to his or her Restricted Stock, all of the rights of a stockholder of the Company, including the right to vote the shares, and the right to receive any dividends thereon. Certificates for shares of Common Stock free of restriction under this Plan shall be delivered to the Participant promptly after, and only after, the Restriction Period shall expire without forfeiture in respect of such shares of Common Stock. Certificates for the shares of Common Stock forfeited under the provisions of the Plan and the applicable Award Agreement shall be promptly returned to the Company by the forfeiting Participant. Each Award Agreement shall require that (x) each Participant, by his or her acceptance of Restricted Stock, shall irrevocably grant to the Company a power of attorney to transfer any shares so forfeited to the Company and agrees to execute any documents requested by the Company in connection with such forfeiture and transfer, and (y) such provisions regarding returns and transfers of stock certificates with respect to forfeited shares of Common Stock shall be specifically performable by the Company in a court of equity or law.

(iii) The Restriction Period of Restricted Stock and/or Restricted Stock Units shall commence on the Date of Grant and, subject to Article 15 of the Plan, unless otherwise established by the Committee in the Award Agreement setting forth the terms of the Restricted Stock and/or Restricted Stock Units, shall expire upon satisfaction of the conditions set forth in the Award Agreement; such conditions may provide for vesting based on (i) length of continuous service, (ii) achievement of specific business objectives, (iii) increases in specified indices, (iv) attainment of specified growth rates, or (v) other comparable Performance Measurements, as may be determined by the Committee in its sole discretion.

(iv) Subject to the provisions of the particular Award Agreement, upon Termination of Service for any reason during the Restriction Period, the nonvested shares of Restricted Stock and/or Restricted Stock Units shall be forfeited by the Participant. In the event a Participant has paid any consideration to the Company for such forfeited Restricted

Stock and/or Restricted Stock Units, the Company shall, as soon as practicable after the event causing forfeiture (but in any event within 5 business days), pay to the Participant, in cash, an amount equal to the total consideration paid by the Participant for such forfeited shares and/or units. Upon any forfeiture, all rights of a Participant with respect to the forfeited shares of the Restricted Stock shall cease and terminate, without any further obligation on the part of the Company.

**6.5 SAR.** An SAR shall entitle the Participant at his election to surrender to the Company the SAR, or portion thereof, as the Participant shall choose, and to receive from the Company in exchange therefor cash in an amount equal to the excess (if any) of the Fair Market Value (as of the date of the exercise of the SAR) per share over the SAR Price per share specified in such SAR, multiplied by the total number of shares of the SAR being surrendered. In the discretion of the Committee, the Company may satisfy its obligation upon exercise of an SAR by the distribution of that number of shares of Common Stock having an aggregate Fair Market Value (as of the date of the exercise of the SAR) equal to the amount of cash otherwise payable to the Participant, with a cash settlement to be made for any fractional share interests, or the Company may settle such obligation in part with shares of Common Stock and in part with cash.

**6.6 Tandem Awards.** The Committee may grant two or more Incentives in one Award in the form of a “tandem award,” so that the right of the Participant to exercise one Incentive shall be canceled if, and to the extent, the other Incentive is exercised. For example, if a Stock Option and an SAR are issued in a tandem Award, and the Participant exercises the SAR with respect to 100 shares of Common Stock, the right of the Participant to exercise the related Stock Option shall be canceled to the extent of 100 shares of Common Stock.

### **6.7 Performance Based Awards.**

(a) Grant of Performance Awards. The Committee may issue Performance Awards in the form of either Performance Units or Performance Shares to Participants subject to the Performance Goals and Performance Period as it shall determine. The terms and conditions of each Performance Award will be set forth in the related Award Agreement. The Committee shall have complete discretion in determining the number and value of Performance Units or Performance Shares granted to each Participant. Participants receiving Performance Awards are not required to pay the Company thereof (except for applicable tax withholding) other than the rendering of services.

(b) Value of Performance Awards. The Committee shall set performance goals in its discretion for each Participant who is granted

a Performance Award. Such Performance Goals may be particular to a Participant, may relate to the performance of the Subsidiary which employs him or her, may be based on the division which employs him or her, may be based on the performance of the Company generally, or a combination of the foregoing. The Performance Goals may be based on achievement of balance sheet or income statement objectives, or any other objectives established by the Committee. The Performance Goals may be absolute in their terms or measured against or in relationship to other companies comparably, similarly or otherwise situated. The extent to which such Performance Goals are met will determine the value of the Performance Unit or Performance Share to the Participant.

(c) Form of Payment. Payment of the amount to which a Participant shall be entitled upon the settlement of a Performance Award shall be made in a lump sum or installments in cash, shares of Common Stock, or a combination thereof as determined by the Committee.

**6.8 Bonus Stock.** The Committee may award shares of Bonus Stock to Participants under the Plan without cash consideration. The Committee shall determine and indicate in the related Award Agreement whether such shares of Bonus Stock awarded under the Plan shall be unencumbered of any restrictions (other than those advisable to comply with law) or shall be subject to restrictions and limitations similar to those referred to in Section 6.7 hereof. In the event the Committee assigns any restrictions on the shares of Bonus Stock awarded under the Plan, then such shares shall be subject to at least the following restrictions:

(a) No shares of Bonus Stock may be sold, transferred, pledged, assigned or otherwise alienated or hypothecated if such shares are subject to restrictions which have not lapsed or have not been vested.

(b) If any condition of vesting of the shares of Bonus Stock are not met, all such shares subject to such vesting shall be delivered to the Company (in a manner determined by the Committee) within 60 days of the failure to meet such conditions without any payment from the Company.

## 6.9 Other Stock Based Awards.

(a) Grant of Other Stock Based Awards. The Committee may issue to Participants, either alone or in addition to other Awards made under the Plan, Stock Unit Awards which may be in the form of Common Stock or other securities. The value of each such Award shall be based, in whole or in part, on the value of the underlying Common Stock or other securities. The Committee, in its sole and complete discretion, may determine that an Award, either in the form of a Stock Unit Award under this Section 6.9 or as an Award granted pursuant to the other provisions of this Article 6, may provide to the Participant (i) dividends or dividend equivalents (payable on a current or deferred basis) and (ii) cash payments in lieu of or in addition to an Award. The Committee shall determine the terms, restrictions, conditions, vesting requirements, and payment rules (all of which are sometimes hereinafter collectively referred to as “rules”) of the Award and shall set forth those rules in the related Award Agreement.

(b) Rules. The Committee, in its sole and complete discretion, may grant a Stock Unit Award subject to the following rules:

(i) Common Stock or other securities issued pursuant to Stock Unit Awards may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated by a Participant until the expiration of at least six months from the Award Date, except that such limitation shall not apply in the case of death or disability of the Participant. To the extent Stock Unit Awards are deemed to be derivative securities within the meaning of Rule 16b-3 under the 1934 Act, a Participant’s rights with respect to such Awards shall not vest or be exercisable until the expiration of at least six months from the Award Date. To the extent a Stock Unit Award granted under the Plan is deemed to be a derivative security within the meaning of Rule 16b-3 under the 1934 Act, it may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, otherwise than by will or by laws of descent and distribution. All rights with respect to such Stock Unit Awards granted to a Participant under the Plan shall be exercisable during his or her lifetime only by such Participant or his or her guardian or legal representative.

(ii) Stock Unit Awards may require the payment of cash consideration by the Participant in receipt of the Award or provide that the Award, and any Common Stock or other securities issued in conjunction with the Award be delivered without the payment of cash consideration.

(iii) The Committee, in its sole and complete discretion, may establish certain Performance Criteria that may relate in whole or in part to receipt of the Stock Unit Awards.

(iv) Stock Unit Awards may be subject to a deferred payment schedule and/or vesting over a specified employment period.

(v) The Committee as a result of certain circumstances, may waive or otherwise remove, in whole or in part, any restriction or condition imposed on a Stock Unit Award at the time of Award.

## **ARTICLE 7**

### **OPTION PRICE; SAR PRICE**

The Option Price for any share of Common Stock which may be purchased under a Stock Option and the SAR Price for any share of Common Stock subject to an SAR shall be at least One Hundred Percent (100%) of the Fair Market Value of the share on the Date of Grant. If an Incentive Stock Option is granted to an Employee who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10% of the combined voting power of all classes of stock of the Company (or any parent or Subsidiary), the Option Price shall be at least 110% of the Fair Market Value of the Common Stock on the Date of Grant.

## **ARTICLE 8**

### **AWARD PERIOD; VESTING**

**8.1 Award Period.** Subject to the other provisions of this Plan, the Committee may, in its discretion, provide that an Incentive may not be exercised in whole or in part for any period or periods of time or beyond any date specified in the Award Agreement. Except as provided in the Award Agreement, an Incentive may be exercised in whole or in part at any time during its term. The Award Period for an Incentive shall be reduced or terminated upon Termination of Service in accordance with this Article 8 and Article 9. No Incentive granted under the Plan may be exercised at any time after the end of its Award Period. No portion of any Incentive may be exercised after the expiration of ten (10) years from its Date of Grant. However, if an Employee owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10% of the combined voting power of all classes of stock of the Company (or any parent or Subsidiary) and an Incentive Stock Option is granted to such Employee, the term of such



Incentive Stock Option (to the extent required by the Code at the time of grant) shall be no more than five (5) years from the Date of Grant.

**8.2 Vesting.** The Committee, in its sole discretion, may determine that an Incentive will be immediately exercisable, in whole or in part, or that all or any portion may not be exercised until a date, or dates, subsequent to its Date of Grant, or until the occurrence of one or more specified events, subject in any case to the terms of the Plan. If the Committee imposes conditions upon exercise, then subsequent to the Date of Grant, the Committee may, in its sole discretion, accelerate the date on which all or any portion of the Incentive may be exercised.

## ARTICLE 9

### TERMINATION OF SERVICE

In the event of Termination of Service of a Participant, an Incentive may only be exercised as determined by the Committee and provided in the Award Agreement.

## ARTICLE 10

### EXERCISE OF INCENTIVE

**10.1 In General.** A vested Incentive may be exercised during its Award Period, subject to limitations and restrictions set forth therein and in Article 9. A vested Incentive may be exercised at such times and in such amounts as provided in this Plan and the applicable Award Agreement, subject to the terms, conditions, and restrictions of the Plan.

In no event may an Incentive be exercised or shares of Common Stock be issued pursuant to an Award if a necessary listing or quotation of the shares of Common Stock on a stock exchange or inter-dealer quotation system or any registration under state or federal securities laws required under the circumstances has not been accomplished. No Incentive may be exercised for a fractional share of Common Stock. The granting of an Incentive shall impose no obligation upon the Participant to exercise that Incentive.

(a) Stock Options. Subject to such administrative regulations as the Committee may from time to time adopt, a Stock Option may be exercised by the delivery of written notice to the Committee setting forth the number of shares of Common Stock with respect to which the Stock Option is to be exercised and the date of exercise thereof (the "Exercise Date") which shall be at least three (3) days after giving such notice unless an earlier time shall have been mutually agreed upon. On the Exercise Date, the Participant shall

deliver to the Company consideration with a value equal to the total Option Price of the shares to be purchased, payable as follows: (a) cash, check, bank draft, or money order payable to the order of the Company, (b) Common Stock (including Restricted Stock) owned by the Participant on the Exercise Date, valued at its Fair Market Value on the Exercise Date, (c) by delivery (including by FAX) to the Company or its designated agent of an executed irrevocable option exercise form together with irrevocable instructions from the Participant to a broker or dealer, reasonably acceptable to the Company, to sell certain of the shares of Common Stock purchased upon exercise of the Stock Option or to pledge such shares as collateral for a loan and promptly deliver to the Company the amount of sale or loan proceeds necessary to pay such purchase price (otherwise known as a "cashless exercise"), and/or (d) in any other form of valid consideration that is acceptable to the Committee in its sole discretion. In the event that shares of Restricted Stock are tendered as consideration for the exercise of a Stock Option, a number of shares of Common Stock issued upon the exercise of the Stock Option equal to the number of shares of Restricted Stock used as consideration therefor shall be subject to the same restrictions and provisions as the Restricted Stock so submitted.

Upon payment of all amounts due from the Participant, the Company shall cause certificates for the Common Stock then being purchased to be delivered as directed by the Participant (or the person exercising the Participant's Stock Option in the event of his death) at its principal business office promptly after the Exercise Date; provided that if the Participant has exercised an Incentive Stock Option, the Company may at its option retain physical possession of the certificate evidencing the shares acquired upon exercise until the expiration of the holding periods described in Section 422(a)(1) of the Code. The obligation of the Company to deliver shares of Common Stock shall, however, be subject to the condition that if at any time the Committee shall determine in its discretion that the listing, registration, or qualification of the Stock Option or the Common Stock upon any securities exchange or inter-dealer quotation system or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the Stock Option or the issuance or purchase of shares of Common Stock thereunder, the Stock Option may not be exercised in whole or in part unless such listing, registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

If the Participant fails to pay for any of the Common Stock specified in such notice or fails to accept delivery thereof, the Participant's right to purchase such Common Stock may be terminated by the Company.

(b) SARs. Subject to the conditions of this Section 10.1(b) and such administrative regulations as the Committee may from time to time adopt, an SAR may be exercised by the delivery (including by FAX) of written notice to the Committee setting forth the number of shares of Common Stock with respect to which the SAR is to be exercised and the date of exercise thereof (the "Exercise Date") which shall be at least three (3) days after giving such notice unless an earlier time shall have been mutually agreed upon. On the Exercise Date, the Participant shall receive from the Company in exchange therefor cash in an amount equal to the excess (if any) of the Fair Market Value (as of the date of the exercise of the SAR) per share of Common Stock over the SAR Price per share specified in such SAR, multiplied by the total number of shares of Common Stock of the SAR being surrendered. In the discretion of the Committee, the Company may satisfy its obligation upon exercise of an SAR by the distribution of that number of shares of Common Stock having an aggregate Fair Market Value (as of the date of the exercise of the SAR) equal to the amount of cash otherwise payable to the Participant, with a cash settlement to be made for any fractional share interests, or the Company may settle such obligation in part with shares of Common Stock and in part with cash.

**10.2 Disqualifying Disposition of ISO.** If shares of Common Stock acquired upon exercise of an Incentive Stock Option are disposed of by a Participant prior to the expiration of either two (2) years from the Date of Grant of such Stock Option or one (1) year from the transfer of shares of Common Stock to the Participant pursuant to the exercise of such Stock Option, or in any other disqualifying disposition within the meaning of Section 422 of the Code, such Participant shall notify the Company in writing of the date and terms of such disposition. A disqualifying disposition by a Participant shall not affect the status of any other Stock Option granted under the Plan as an Incentive Stock Option within the meaning of Section 422 of the Code.

## **ARTICLE 11**

### **SPECIAL PROVISIONS APPLICABLE TO COVERED PARTICIPANTS**

Awards subject to Performance Criteria paid to Covered Participants under this Plan shall be governed by the conditions of this Section 11 in addition to the requirements of Sections 6.4, 6.7, 6.8 and 6.9 above. Should conditions set forth under this Section 11 conflict with the requirements of Sections 6.4, 6.7, 6.8 and 6.9, the conditions of this Section 11 shall prevail.

(a) All Performance Measures, Goals, or Criteria relating to Covered Participants for a relevant Performance Period shall be established by the Committee in writing prior to the beginning of the Performance Period, or by such other later date for the Performance Period as may be permitted under Section 162(m) of the Code. The Performance Goals may be identical for all Participants or, at the discretion of the Committee, may be different to reflect more appropriate measures of individual performance.

(b) The Performance Goals relating to Covered Participants for a Performance Period shall be established by the Committee in writing. Performance Goals may include alternative and multiple Performance Goals and may be based on one or more business and/or financial criteria. In establishing the Performance Goals for the Performance Period, the Committee in its discretion may include one or any combination of the following criteria in either absolute or relative terms, for the Company or any Subsidiary:

(i) Total shareholder return;

(ii) Return on assets, equity, capital, or investment;

(iii) Pre-tax or after-tax profit levels, including: earnings per share; earnings before interest and taxes; earnings before interest, taxes, depreciation and amortization; net operating profits after tax, and net income;

(iv) Cash flow and cash flow return on investment;

(v) Economic value added and economic profit;

(vi) Growth in earnings per share;

(vii) Levels of operating expense or other expense items as reported on the income statement, including operating and maintenance expense; or

(viii) Measures of customer satisfaction and customer service as surveyed from time to time, including the relative improvement therein.

(c) The Performance Goals must be objective and must satisfy third party "objectivity" standards under Section 162(m) of the Code, and the regulations promulgated thereunder.

(d) The Committee is authorized to make adjustments in the method of calculating attainment of Performance Goals in recognition of: (i) extraordinary or non-recurring items, (ii) changes

in tax laws, (iii) changes in generally accepted accounting principles or changes in accounting principles, (iv) charges related to restructured or discontinued operations, (v) restatement of prior period financial results, and (vi) any other unusual, non-recurring gain or loss that is separately identified and quantified in the Company's financial statements. Notwithstanding the foregoing, the Committee may, at its sole discretion, reduce the performance results upon which Awards are based under the Plan, to offset any unintended result(s) arising from events not anticipated when the Performance Goals were established, provided that such adjustment is permitted by Section 162(m) of the Code.

(e) The Performance Goals shall not allow for any discretion by the Committee as to an increase in any Award, but discretion to lower an Award is permissible.

(f) The Award and payment of any Award under this Plan to a Covered Participant with respect to a relevant Performance Period shall be contingent upon the attainment of the Performance Goals that are applicable to such Covered Participant. The Committee shall certify in writing prior to payment of any such Award that such applicable Performance Goals relating to the Award are satisfied. Approved minutes of the Committee may be used for this purpose.

(g) The maximum Award that may be paid to any Covered Participant under the Plan pursuant to Sections 6.4, 6.7, 6.8 and 6.9 for any Performance Period shall be (i) if in cash, One Million Dollars (\$1,000,000.00) and (ii) if in shares of Common Stock, five hundred thousand (500,000) shares.

(h) All Awards to Covered Participants under this Plan shall be further subject to such other conditions, restrictions, and requirements as the Committee may determine to be necessary to carry out the purpose of this Section 11.

## ARTICLE 12

### AMENDMENT OR DISCONTINUANCE

Subject to the limitations set forth in this Article 12, the Board may at any time and from time to time, without the consent of the Participants, alter, amend, revise, suspend, or discontinue the Plan in whole or in part; provided, however, that no amendment which requires stockholder approval in order for the Plan and Incentives awarded under the Plan to continue to comply with Section 162(m) of the Code, including any successors to such Section, shall be effective unless such amendment shall be approved by the requisite vote of the stockholders of the Company entitled to vote thereon. Any such amendment shall, to the extent deemed necessary or advisable by the Committee, be applicable to any outstanding Incentives theretofore granted under the Plan, notwithstanding any contrary provisions contained in any Award Agreement. In the event of any such amendment to the Plan, the holder of any Incentive outstanding under the Plan shall, upon request of the Committee and as a condition to the exercisability thereof, execute a conforming amendment in the form prescribed by the Committee to any Award Agreement relating thereto. Notwithstanding anything contained in this Plan to the contrary, unless required by law, no action contemplated or permitted by this Article 12 shall adversely affect any rights of Participants or obligations of the Company to Participants with respect to any Incentive theretofore granted under the Plan without the consent of the affected Participant.

## ARTICLE 13

### TERM

The Plan shall be effective as set forth in Section 18.11. Unless sooner terminated by action of the Board, the Plan will terminate on October 1, 2008, but Incentives granted before that date will continue to be effective in accordance with their terms and conditions.

## ARTICLE 14

### CAPITAL ADJUSTMENTS

If at any time while the Plan is in effect, or Incentives are outstanding, there shall be any increase or decrease in the number of issued and outstanding shares of Common Stock resulting from (1) the declaration or payment of a stock dividend, (2) any recapitalization resulting in a stock split-up, combination, or exchange of shares of Common Stock, or (3) other increase or decrease in such shares of Common Stock effected without receipt of consideration by the Company, then and in such event:

(a) An appropriate adjustment shall be made in the maximum number of shares of Common Stock then subject to being awarded under the Plan and in the maximum number of shares of Common Stock that may be awarded to a Participant to the end that the same proportion of the Company's issued and outstanding shares of Common Stock shall continue to be subject to being so awarded.

(b) Appropriate adjustments shall be made in the number of shares of Common Stock and the Option Price thereof then subject to purchase pursuant to each such Stock Option previously granted and unexercised, to the end that the same proportion of the Company's issued and outstanding shares of Common Stock in each such instance shall remain subject to purchase at the same aggregate Option Price.

(c) Appropriate adjustments shall be made in the number of SARs and the SAR Price thereof then subject to exercise pursuant to each such SAR previously granted and unexercised, to the end that the same proportion of the Company's issued and outstanding shares of Common Stock in each instance shall remain subject to exercise at the same aggregate SAR Price.

(d) Appropriate adjustments shall be made in the number of outstanding shares of Restricted Stock with respect to which restrictions have not yet lapsed prior to any such change.

(e) Appropriate adjustments shall be made with respect to shares of Common Stock applicable to any other Incentives previously awarded under the Plan as the Committee, in its sole discretion, deems appropriate, consistent with the event.

Except as otherwise expressly provided herein, the issuance by the Company of shares of its capital stock of any class, or securities convertible into shares of capital stock of any class, either in connection with direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Company convertible into such shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to (i) the number of or Option Price of shares of Common Stock then subject to outstanding Stock Options granted under the Plan, (ii) the number of or SAR Price or SARs then subject to outstanding SARs granted under the Plan, (iii) the number of outstanding shares of Restricted Stock, or (iv) the number of shares of Common Stock otherwise payable under any other Incentive.

Upon the occurrence of each event requiring an adjustment with respect to any Incentive, the Company shall mail to each affected Participant its computation of such adjustment which shall be conclusive and shall be binding upon each such Participant.

## ARTICLE 15

### **RECAPITALIZATION, MERGER AND CONSOLIDATION; CHANGE IN CONTROL**

(a) The existence of this Plan and Incentives granted hereunder shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations, or other changes in the Company's capital structure and its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or preference stocks ranking prior to or otherwise affecting the Common Stock or the rights thereof (or any rights, options, or warrants to purchase same), or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(b) Subject to any required action by the stockholders, if the Company shall be the surviving or resulting corporation in any merger, consolidation or share exchange, any Incentive granted hereunder shall pertain to and apply to the securities or rights (including cash, property, or assets) to which a holder of the number of shares of Common Stock subject to the Incentive would have been entitled.

(c) In the event of any merger, consolidation or share exchange pursuant to which the Company is not the surviving or resulting corporation, there shall be substituted for each share of Common Stock subject to the unexercised portions of such outstanding Incentives, that number of shares of each class of stock or other securities or that amount of cash, property, or assets of the surviving, resulting or consolidated company which were distributed or distributable to the stockholders of the Company in respect to each share of Common Stock held by them, such outstanding Incentives to be thereafter exercisable for such stock, securities, cash, or property in accordance with their terms. Notwithstanding the foregoing, however, all Stock Options and SARs may be canceled by the Company immediately prior to the effective date of any such reorganization, merger, consolidation, share exchange or any dissolution or liquidation of the Company by giving notice to each holder thereof or his personal representative of its intention to do so and by permitting the purchase during the thirty (30) day period next preceding such effective date of all or any portion of all of the shares



of Common Stock subject to such outstanding Incentives whether or not such Incentives are then vested or exercisable.

(d) In the event of a Change in Control, notwithstanding any other provision in this Plan to the contrary all unmatured installments of Incentives outstanding and not otherwise canceled in accordance with Section 15(c) above, shall thereupon automatically be accelerated and exercisable in full and all Restriction Periods applicable to Awards of Restricted Stock and/or Restricted Stock Units shall automatically expire. The determination of the Committee that any of the foregoing conditions has been met shall be binding and conclusive on all parties.

## **ARTICLE 16**

### **LIQUIDATION OR DISSOLUTION**

In case the Company shall, at any time while any Incentive under this Plan shall be in force and remain unexpired, (i) sell all or substantially all of its property, or (ii) dissolve, liquidate, or wind up its affairs, then each Participant shall be thereafter entitled to receive, in lieu of each share of Common Stock of the Company which such Participant would have been entitled to receive under the Incentive, the same kind and amount of any securities or assets as may be issuable, distributable, or payable upon any such sale, dissolution, liquidation, or winding up with respect to each share of Common Stock of the Company. If the Company shall, at any time prior to the expiration of any Incentive, make any partial distribution of its assets, in the nature of a partial liquidation, whether payable in cash or in kind (but excluding the distribution of a cash dividend payable out of earned surplus and designated as such) then in such event the Option Prices or SAR Prices then in effect with respect to each Stock Option or SAR shall be reduced, on the payment date of such distribution, in proportion to the percentage reduction in the tangible book value of the shares of the Company's Common Stock (determined in accordance with generally accepted accounting principles) resulting by reason of such distribution.

## ARTICLE 17

### **INCENTIVES IN SUBSTITUTION FOR INCENTIVES GRANTED BY OTHER CORPORATIONS**

Incentives may be granted under the Plan from time to time in substitution for similar instruments held by employees of a corporation who become or are about to become Employees of the Company or any Subsidiary as a result of a merger or consolidation of the employing corporation with the Company or the acquisition by the Company of stock of the employing corporation. The terms and conditions of the substitute Incentives so granted may vary from the terms and conditions set forth in this Plan to such extent as the Board at the time of grant may deem appropriate to conform, in whole or in part, to the provisions of the Incentives in substitution for which they are granted.

## ARTICLE 18

### **MISCELLANEOUS PROVISIONS**

**18.1 Investment Intent.** The Company may require that there be presented to and filed with it by any Participant under the Plan, such evidence as it may deem necessary to establish that the Incentives granted or the shares of Common Stock to be purchased or transferred are being acquired for investment and not with a view to their distribution.

**18.2 No Right to Continued Employment.** Neither the Plan nor any Incentive granted under the Plan shall confer upon any Participant any right with respect to continuance of employment by the Company or any Subsidiary.

**18.3 Indemnification of Board and Committee.** No member of the Board or the Committee, nor any officer or employee of the Company acting on behalf of the Board or the Committee, shall be personally liable for any action, determination, or interpretation taken or made in good faith with respect to the Plan, and all members of the Board or the Committee and each and any officer or employee of the Company acting on their behalf shall, to the extent permitted by law, be fully indemnified and protected by the Company in respect of any such action, determination, or interpretation.

**18.4 Effect of the Plan.** Neither the adoption of this Plan nor any action of the Board or the Committee shall be deemed to give any person any right to be granted an Award or any other rights except as may be evidenced by an Award Agreement, or any amendment thereto, duly authorized by the Committee and executed on behalf of the Company, and then only to the extent and upon the terms and conditions expressly set forth therein.

### **18.5 Compliance With Other Laws and Regulations.**

Notwithstanding anything contained herein to the contrary, the Company shall not be required to sell or issue shares of Common Stock under any Incentive if the issuance thereof would constitute a violation by the Participant or the Company of any provisions of any law or regulation of any governmental authority or any national securities exchange or inter-dealer quotation system or other forum in which shares of Common Stock are quoted or traded (including without limitation Section 16 of the 1934 Act and Section 162(m) of the Code); and, as a condition of any sale or issuance of shares of Common Stock under an Incentive, the Committee may require such agreements or undertakings, if any, as the Committee may deem necessary or advisable to assure compliance with any such law or regulation. The Plan, the grant and exercise of Incentives hereunder, and the obligation of the Company to sell and deliver shares of Common Stock, shall be subject to all applicable federal and state laws, rules and regulations and to such approvals by any government or regulatory agency as may be required.

**18.6 Tax Requirements.** The Company shall have the right to deduct from all amounts hereunder paid in cash or other form, any Federal, state, or local taxes required by law to be withheld with respect to such payments. The Participant receiving shares of Common Stock issued under the Plan shall be required to pay the Company the amount of any taxes which the Company is required to withhold with respect to such shares of Common Stock. Notwithstanding the foregoing, in the event of an assignment of a Non-qualified Stock Option or SAR pursuant to Section 18.7, the Participant who assigns the Non-qualified Stock Option or SAR shall remain subject to withholding taxes upon exercise of the Non-qualified Stock Option or SAR by the transferee to the extent required by the Code or the rules and regulations promulgated thereunder. Such payments shall be required to be made prior to the delivery of any certificate representing such shares of Common Stock. Such payment may be made in cash, by check, or through the delivery of shares of Common Stock owned by the Participant (which may be effected by the actual delivery of shares of Common Stock by the Participant or by the Company's withholding a number of shares to be issued upon the exercise of a Stock Option, if applicable), which shares have an aggregate Fair Market Value equal to the required minimum withholding payment, or any combination thereof.

**18.7 Assignability.** Incentive Stock Options may not be transferred or assigned other than by will or the laws of descent and distribution and may be exercised during the lifetime of the Participant only by the Participant or the Participant's legally authorized representative, and each Award Agreement in respect of an Incentive Stock Option shall so provide. The designation by a Participant of a beneficiary will not constitute a transfer of the Stock Option. The Committee may waive or modify any limitation contained in the preceding sentences of this Section 18.7 that is not required for compliance with Section 422 of the Code. The Committee may, in its discretion, authorize all or a portion of a Non-qualified Stock Option or SAR to be granted to a Participant to be on terms which permit transfer by such Participant to (i) the spouse, children or grandchildren of

the Participant (“Immediate Family Members”), (ii) a trust or trusts for the exclusive benefit of such Immediate Family Members, or (iii) a partnership in which such Immediate Family Members are the only partners, (iv) an entity exempt from federal income tax pursuant to Section 501(c)(3) of the Code or any successor provision, or (v) a split interest trust or pooled income fund described in Section 2522(c)(2) of the Code or any successor provision, provided that (x) there shall be no consideration for any such transfer, (y) the Award Agreement pursuant to which such Non-qualified Stock Option or SAR is granted must be approved by the Committee and must expressly provide for transferability in a manner consistent with this Section, and (z) subsequent transfers of transferred Non-qualified Stock Options or SARs shall be prohibited except those by will or the laws of descent and distribution or pursuant to a qualified domestic relations order as defined in the Code or Title I of the Employee Retirement Income Security Act of 1974, as amended. Following transfer, any such Non-qualified Stock Option and SAR shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer, provided that for purposes of Articles 10, 12, 14, 16 and 18 hereof the term “Participant” shall be deemed to include the transferee. The events of Termination of Service shall continue to be applied with respect to the original Participant, following which the Non-qualified Stock Options and SARs shall be exercisable by the transferee only to the extent and for the periods specified in the Award Agreement. The Committee and the Company shall have no obligation to inform any transferee of a Non-qualified Stock Option or SAR of any expiration, termination, lapse or acceleration of such Option. The Company shall have no obligation to register with any federal or state securities commission or agency any Common Stock issuable or issued under a Non-qualified Stock Option or SAR that has been transferred by a Participant under this Section 18.7.

**18.8 Use of Proceeds.** Proceeds from the sale of shares of Common Stock pursuant to Incentives granted under this Plan shall constitute general funds of the Company.

**18.9 Governing Law.** The validity, construction and effect of the Plan and any actions taken or relating to the Plan shall be determined in accordance with the laws of the State of Texas and applicable Federal law.

**18.10 Successors and Assigns.** The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, expressly to assume and agree to perform the Company’s obligation under this Plan in the same manner and to the same extent that the Company would be required to perform them if no such succession had taken place. As used herein, the “Company” shall mean the Company as hereinbefore defined and any aforesaid successor to its business and/or assets.

**18.11 Effective Date.** The Plan shall be effective as of October 1, 1998. Subject to earlier termination pursuant to Article 12, the Plan shall have a term of

ten (10) years from its effective date. After termination of the Plan, no future Awards may be made.

**18.12 Legend.** Each certificate representing shares of Restricted Stock issued to a Participant shall bear the following legend, or a similar legend deemed by the Company to constitute an appropriate notice of the provisions hereof (any such certificate not having such legend shall be surrendered upon demand by the Company and so endorsed):

On the face of the certificate:

“Transfer of this stock is restricted in accordance with conditions printed on the reverse of this certificate.”

On the reverse:

“The shares of stock evidenced by this certificate are subject to and transferrable only in accordance with that certain Atmos Energy Corporation 1998 Long-Term Incentive Plan, a copy of which is on file at the principal office of the Company in Dallas, Texas. No transfer or pledge of the shares evidenced hereby may be made except in accordance with and subject to the provisions of said Plan. By acceptance of this certificate, any holder, transferee or pledgee hereof agrees to be bound by all of the provisions of said Plan.”

The following legend shall be inserted on a certificate evidencing Common Stock issued under the Plan if the shares were not issued in a transaction registered under the applicable federal and state securities laws:

“Shares of stock represented by this certificate have been acquired by the holder for investment and not for resale, transfer or distribution, have been issued pursuant to exemptions from the registration requirements of applicable state and federal securities laws, and may not be offered for sale, sold or transferred other than pursuant to effective registration under such laws, or in transactions otherwise in compliance with such laws, and upon evidence satisfactory to the Company of compliance with such laws, as to which the Company may rely upon an opinion of counsel satisfactory to the Company.”

A copy of this Plan shall be kept on file in the principal office of the Company in Dallas, Texas.

\* \* \* \* \*

IN WITNESS WHEREOF, the Company has caused this instrument to be executed as of February 14, 2002.

**ATMOS ENERGY CORPORATION**

By: /s/ ROBERT W. BEST  
Robert W. Best  
Chairman of the Board, President  
and Chief Executive Officer

Attest:

/s/ SHIRLEY A. HINES  
Shirley A. Hines  
Corporate Secretary

**ATMOS ENERGY CORPORATION**  
**ANNUAL INCENTIVE PLAN FOR MANAGEMENT**  
(As amended and restated February 14, 2002)

The Atmos Energy Corporation Annual Incentive Plan for Management (hereinafter called the "Plan") was adopted by the Board of Directors of Atmos Energy Corporation, a Texas and Virginia corporation (hereinafter called the "Company"), on August 12, 1998 to be effective October 1, 1998 and was approved by the Company's shareholders on February 10, 1999. An amendment to the Plan was approved by the Board of Directors on August 8, 2001, which amendment was approved by the Company's shareholders on February 13, 2002.

**ARTICLE 1**

**PURPOSE**

The Plan is intended to provide the Company a means by which it can engender and sustain a sense of personal commitment on the part of its executives and senior managers in the continued growth, development, and financial success of the Company and encourage them to remain with and devote their best efforts to the business of the Company, thereby advancing the interests of the Company and its shareholders. Accordingly, the Company may award to executives and senior managers annual incentive compensation on the terms and conditions established herein.

**ARTICLE 2**

**DEFINITIONS**

For the purposes of the Plan, unless the context requires otherwise, the following terms shall have the meanings indicated:

2.1 "Annual Incentive Award" or "Award" means the compensation payable under this Plan to a Participant by the Committee pursuant to such terms, conditions, restrictions, and limitations established by the Committee and Plan.

2.2 "Board" means the Board of Directors of the Company.

2.3 "Bonus Stock" or "Bonus Shares" means shares of Common Stock of the Company awarded to a Participant as permitted and pursuant to the terms of the Long Term Incentive Plan.

2.4 (a) "Change in Control" of the Company shall be deemed to have occurred if:

(i) Any "Person" (as defined in Section 2.4(b)(i) below), other than (1) the Company or any of its Subsidiaries, (2) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (3) an underwriter temporarily holding securities pursuant to an offering of such securities, or (4) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their

ownership of stock of the Company, is or becomes the “beneficial owner” (as defined in Section 2.4(b)(ii) below), directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person any securities acquired directly from the Company or its Affiliates) representing 33-1/3% or more of the combined voting power of the Company’s then outstanding securities, or 33-1/3% or more of the then outstanding common stock of the Company, excluding any Person who becomes such a beneficial owner in connection with a transaction described in subparagraph (iii)(A) below.

(ii) During any period of two consecutive years (the “Period”), individuals who at the beginning of the Period constitute the Board of Directors of the Company and any “new director” (as defined in Section 2.4(b)(iii) below) cease for any reason to constitute a majority of the Board of Directors.

(iii) There is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, except if:

(A) the merger or consolidation would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least sixty percent (60%) of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation; or

(B) the merger or consolidation is effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the beneficial owner, directly, or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates other than in connection with the acquisition by the Company or its Affiliates of a business) representing 60% or more of the combined voting power of the Company’s then outstanding securities;

(iv) The shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all the Company’s assets, other than a sale or disposition by the Company of all or substantially all of the Company’s assets to an entity, at least 60% of the combined voting power of the voting securities of which are owned by the stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

(b) Definitions. For purposes of Section 2.4(a) above,

(i) “Person” shall have the meaning given in Section 3(a)(9) of the Securities Exchange Act of 1934 (the “1934 Act”) as modified and used in Sections 13(d) and 14(d) of the 1934 Act.



(ii) “Beneficial owner” shall have the meaning provided in Rule 13d-3 under the 1934 Act.

(iii) “New director” shall mean an individual whose election by the Company’s Board of Directors or nomination for election by the Company’s shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the Period or whose election or nomination for election was previously so approved or recommended. However, “new director” shall not include a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation relating to the election of directors of the Company.

(iv) “Affiliate” shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the 1934 Act.

2.5 “Code” means the Internal Revenue Code of 1986, as amended, together with the published rulings, regulations, and interpretations duly promulgated thereunder.

2.6 “Committee” means the committee appointed or designated by the Board to administer the Plan in accordance with Article 3 of this Plan.

2.7 “Common Stock” or “Common Shares” means the Common Stock of the Company, with no par value (stated value of \$.005 per share), or such other security or right or instrument into which such common stock may be changed or converted in the future.

2.8 “Company” means Atmos Energy Corporation, a Texas and Virginia corporation, and any successor entity.

2.9 “Covered Participant” means a Participant who is a “covered employee” as defined in Section 162(m)(3) of the Code, and the regulations promulgated thereunder, or who the Committee believes will be such a covered employee for a Performance Period, and who the Committee believes may have remuneration in excess of \$1,000,000 for the Performance Period, as provided in Section 162(m) of the Code.

2.10 “Date of Conversion” means the date on which the Committee determines and approves Awards; this is also the effective Date of Conversion for Restricted Stock or Restricted Shares, and for Stock Options.

2.11 “Employee” means common law employee (as defined in accordance with the Regulations and Revenue Rulings then applicable under Section 3401(c) of the Code) of the Company and any Subsidiary of the Company.

2.12 “Executive Nonqualified Deferred Compensation Plan” is the Atmos Energy Corporation Executive Nonqualified Deferred Compensation Plan, as amended from time to time.

2.13 “Fair Market Value” of a share of Common Stock is the mean of the highest and lowest prices per share on the New York Stock Exchange Consolidated Tape, or such reporting service as the Board may select, on the appropriate date, or in the absence of reported sales on such day, the most recent previous day for which sales were reported.

2.14 “Long-Term Incentive Plan” is the Atmos Energy Corporation 1998 Long-Term Incentive Compensation Plan, as amended from time to time.

2.15 “Participant” means an Employee who is selected by the Committee to participate in the Plan.

2.16 “Performance Criteria” or “Performance Goals” or “Performance Measures” mean the objectives established by the Committee for the Performance Period pursuant to Article V hereof, for the purpose of determining Awards under the Plan.

2.17 “Performance Period” means the consecutive 12 month period that constitutes the Company’s fiscal year.

2.18 “Plan” means the Atmos Energy Corporation Annual Incentive Plan for Management, dated effective October 1, 1998, as amended from time to time.

2.19 “Restricted Stock” or “Restricted Shares” means shares of Common Stock of the Company contingently granted to a Participant as permitted and pursuant to the terms and provisions of the Long-Term Incentive Plan.

2.20 “Section 162(m)” means Section 162(m) of the Code and the regulations promulgated thereunder.

2.21 “Stock Option” or “Option” means an option to purchase Common Shares of the Company as permitted and pursuant to the terms and provisions of the Long-Term Incentive Plan.

2.22 “Subsidiary” means (i) any corporation in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing a majority of the total combined voting power of all classes of stock in one of the other corporations in the chain, (ii) any limited partnership, if the Company or any corporation described in item (i) above owns a majority of the general partnership interest and a majority of the limited partnership interests entitled to vote on the removal and replacement of the general partner, and (iii) any partnership or limited liability company, if the partners or members thereof are composed only of the Company, any corporation listed in item (i) above or any limited partnership listed in item (ii) above. “Subsidiaries” means more than one of any such corporations, limited partnerships, partnerships or limited liability companies.

2.23 “Termination of Service” occurs when a Participant who is an Employee of the Company or any Subsidiary shall cease to serve as an Employee of the Company and its Subsidiaries, for any reason.

### ARTICLE 3

#### ADMINISTRATION

The Plan shall be administered by the Human Resources Committee of the Board unless otherwise determined by the Board. If said Human Resources Committee does not so serve, the Committee shall consist of not fewer than two persons; any member of the Committee may be removed at any time, with or without cause, by resolution of the Board; and any vacancy occurring in the membership of the Committee may be filled by appointment by the Board.

All actions to be taken by the Committee under this Plan, insofar as such actions affect compliance with Section 162(m) of the Code, shall be limited to those members of the Board who are Non-employee Directors and who are “outside directors” under Section 162(m). The Committee shall select one of its members to act as its Chairman. A majority of the Committee shall constitute a quorum, and the act of a majority of the members of the Committee present at a meeting at which a quorum is present shall be the act of the Committee.

The Committee shall determine and designate from time to time the eligible persons to whom Awards will be made. The Committee, in its discretion, shall (i) interpret the Plan, (ii) prescribe, amend, and rescind any rules and regulations necessary or appropriate for the administration of the Plan, and (iii) make such other determinations and take such other action as it deems necessary or advisable in the administration of the Plan. Any interpretation, determination, or other action made or taken by the Committee shall be final, binding, and conclusive on all interested parties.

With respect to restrictions in the Plan that are based on the requirements of Section 162(m) of the Code or any other applicable law, rule or restriction (collectively, “applicable law”), to the extent that any such restrictions are no longer required by applicable law, the Committee shall have the sole discretion and authority to make Awards hereunder that are no longer subject to such restrictions.

#### **ARTICLE 4**

##### **ELIGIBILITY**

Any Employee (including an Employee who is also a director or an officer) is eligible to participate in the Plan. The Committee, upon its own action, may make, but shall not be required to make, an Award to any Employee. Awards may be made by the Committee at any time and from time to time to new Participants, or to then Participants, or to a greater or lesser number of Participants, and may include or exclude previous Participants, as the Committee shall determine. The Committee’s determinations under the Plan (including without limitation determinations of which Employees, if any, are to receive Awards, the form, amount and timing of such Awards, the terms and provisions of such Awards, and the agreements evidencing same) may be made by the Committee selectively among Employees who receive, or are eligible to receive, Awards under the Plan. An Employee must be a Participant in the Plan for a minimum of six months during the Plan Year to be eligible for an Award for that Plan Year.

#### **ARTICLE 5**

##### **PERFORMANCE GOALS AND MEASUREMENT**

5.1 Performance Goals Establishment. Performance Goals shall be established by the Committee not later than 90 days after commencement of the Performance Period. The Performance Goals may be identical for all Participants or, at the discretion of the Committee, may be different to reflect more appropriate measures of individual performance.

5.2 Awards. Awards shall be made annually in accordance with actual performance compared to the Performance Goals previously established by the Committee for the Performance Period.

5.3 Performance Goals. Performance Goals relating to Covered Participants for a Performance Period shall be established by the Committee in writing. Performance Goals may include alternative and multiple Performance Goals and may be based on one or more business and/or financial criteria. In establishing the Performance Goals for the Plan Year, the Committee in its discretion may include one or any combination of the following criteria in either absolute or relative terms, for either the Company or any of its Subsidiary organizations:

- (a) Total shareholder return
- (b) Return on assets, equity, capital, or investment
- (c) Pre-tax or after-tax profit levels, including: earnings per share; earnings before interest and taxes; earnings before interest, taxes, depreciation and amortization; net operating profits after tax, and net income
- (d) Cash flow and cash flow return on investment
- (e) Economic value added and economic profit
- (f) Growth in earnings per share
- (g) Levels of operating expense or other expense items as reported on the income statement, including operating and maintenance expense
- (h) Measures of customer satisfaction and customer service as surveyed from time to time, including the relative improvement therein.

5.4 Adjustments for Extraordinary Items. The Committee shall be authorized to make adjustments in the method of calculating attainment of Performance Goals in recognition of: (i) extraordinary or non-recurring items, (ii) changes in tax laws, (iii) changes in generally accepted accounting principles or changes in accounting policies, (iv) charges related to restructured or discontinued operations, (v) restatement of prior period financial results, and (vi) any other unusual, non-recurring gain or loss that is separately identified and quantified in the Company's financial statements. Notwithstanding the foregoing, the Committee may, at its sole discretion, reduce the performance results upon which Awards are based under the Plan, to offset any unintended result(s) arising from events not anticipated when the Performance Goals were established, provided that such adjustment is permitted by Section 162(m).

5.5 Determination of Awards. The Award and payment of any Award under this Plan to a Covered Participant with respect to the Performance Period shall be contingent upon the attainment of the Performance Goals that are applicable to such Covered Participant. The Committee shall certify in writing prior to payment of any such Award that such applicable Performance Goals relating to the Award are satisfied. Approved minutes of the Committee may be used for this purpose. The Performance Goals shall not allow for any discretion by the Committee as to an increase in any Award, but discretion to lower an Award is permissible.

## **ARTICLE 6**

### **AWARDS**

6.1 Timing of Awards. At the first meeting of the Committee after the completion of the Performance Period, the Committee shall review the prior year's performance in relation to the Performance Goals. The first meeting of the Committee shall occur within 60 days following the completion of the Performance Period.

6.2 Form of Awards. Awards are paid in cash or, at the Committee's discretion, in whole or in part, in stock options. The value of any stock options paid in lieu of a cash Award will be determined as set forth in Section 6.2(d) below. Such stock options will be granted

pursuant to the Long-Term Incentive Plan. In addition, if and as the Committee so permits and depending upon the Participant's voluntary election prior to the commencement of the Performance Period, the Participant may elect to convert any Award paid to him in cash in 25 percent increments, in whole or part, into the following forms:

(a) Deferred Compensation. The Participant may elect to defer receipt of all or a portion of the Award under provisions of the Executive Nonqualified Deferred Compensation Plan.

(b) Bonus Stock. The Participant may elect to convert all or a portion of the Award to Bonus Shares, with the value of the Bonus Shares (based on the Fair Market Value of such Bonus Shares as of the Date of Conversion) being equal to 110% of the amount of the Award. Such Bonus Shares shall be unrestricted and shall be granted pursuant to the Long-Term Incentive Plan.

(c) Restricted Stock Awards. The Participant may elect to convert all or a portion of the Award to Company Restricted Shares, with the value of the Restricted Shares (based on the Fair Market Value of such Restricted Shares as of the Date of Conversion) being equal to 150% of the amount of the Award. Such Restricted Stock will have a restriction period of not less than 3 years from the Date of Conversion. These Restricted Shares will be granted pursuant to the Long-Term Incentive Plan.

(d) Non Qualified Stock Options. The Participant may elect to convert all or a portion of the Award to Stock Options, with the value of the Stock Options (determined on the Date of Conversion using the Black-Scholes option pricing model) being equal to 250% of the amount of the Award. The term of the Stock Option shall not be greater than 10 years, and the Stock Option will not be fully vested until 3 years have passed from the Date of Conversion. All Stock Options shall be granted at 100 percent of the Common Stock's Fair Market Value on the Date of Conversion. These Stock Options will be granted pursuant to the Long-Term Incentive Plan.

6.3 Maximum Awards. The maximum cash Award that may be made to a Covered Participant under the Plan for any Performance Period shall be \$1.0 million.

## ARTICLE 7

### WITHHOLDING TAXES

The Company shall have the right to deduct from any payment to be made pursuant to the Plan the amount of any taxes required by law to be withheld with respect to such payments.

## ARTICLE 8

### NO RIGHT TO CONTINUED EMPLOYMENT OR AWARDS

No Employee shall have any claim or right to be made an Award, and the making of an Award shall not be construed as giving a Participant the right to be retained in the employ of the Company or any of its Subsidiaries. Further, the Company and its Subsidiaries expressly reserve the right at any time to terminate the employment of any Participant free from any liability under the Plan; except that a Participant, who meets or exceeds the Performance Goals for the

Performance Period and was actively employed for the full term of the Performance Period, will be eligible for an Award even though the Participant is not an active employee of the Company at the time the Committee makes Awards under the Plan.

## **ARTICLE 9**

### **CHANGE IN CONTROL**

Immediately upon a Change in Control, notwithstanding any other provision of this Plan, all Awards for the Performance Period in which the Change in Control occurs shall be deemed earned at the maximum Performance Goal level, and the Company shall make a payment in cash to each Participant within ten (10) days after the effective date of the Change in Control in the amount of such maximum Award. The making of Awards under the Plan shall in no way affect the right of the Company to adjust, reclassify, reorganize, or otherwise change its capital or business structure, or to merge, consolidate, dissolve, liquidate, sell or transfer all or any portion of its businesses or assets.

## **ARTICLE 10**

### **AMENDMENT, MODIFICATION, SUSPENSION, OR TERMINATION**

Subject to the limitations set forth in the Article 10, the Board may at any time and from time to time, without the consent of the Participants, alter, amend, revise, suspend, or discontinue the Plan in whole or in part; provided, however, that no amendment which requires stockholder approval in order for the Plan and Awards under the Plan to continue to comply with Section 162(m) of the Code, including any successors to such Section, shall be effective unless such amendment shall be approved by the requisite vote of the stockholders of the Company entitled to vote thereon.

## **ARTICLE 11**

### **GOVERNING LAW**

The validity, construction and effect of the Plan and any actions taken or relating to the Plan shall be determined in accordance with the laws of the State of Texas and applicable Federal law.

## **ARTICLE 12**

### **SUCCESSORS AND ASSIGNS**

The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, expressly to assume and agree to perform the Company's obligation under this Plan in the same manner and to the same extent that the Company would be required to perform them if no such succession had taken place. As used herein, the "Company" shall mean the Company as hereinbefore defined and any aforesaid successor to its business and/or assets.

**ARTICLE 13**

**EFFECTIVE DATE**

This Plan shall be effective as of October 1, 1998. Subject to earlier termination pursuant to Article 10, the Plan shall have a term of five years from its effective date. As of August 8, 2001, the Board authorized extension of the term of the Plan for an additional three year period, or until September 30, 2006, which extension was approved by the Company's shareholders on February 13, 2002. After termination of the Plan, no future Awards may be made.

**ARTICLE 14**

**INTERPRETATION**

The Plan is designed to comply with Section 162(m) of the Code, and all provisions hereof shall be construed in a manner consistent with that intent.

**ARTICLE 15**

**INDEMNIFICATION**

No member of the Board or the Committee, nor any officer or Employee of the Company acting on behalf of the Board or the Committee, shall be personally liable for any action, determination, or interpretation taken or made in good faith with respect to the Plan, and all members of the Board or the Committee and each and any officer or Employee of the Company acting on their behalf shall, to the extent permitted by law, be fully indemnified and protected by the Company in respect of any such action, determination, or interpretation.

\* \* \* \* \*

IN WITNESS WHEREOF, the Company has caused this instrument to be executed as of February 14, 2002 by its President.

ATMOS ENERGY CORPORATION

By: /s/ ROBERT W. BEST

Robert W. Best  
Chairman of the Board, President  
and Chief Executive Officer

Attest:

/s/ SHIRLEY A. HINES

Shirley A. Hines  
Secretary

**ATMOS ENERGY CORPORATION**  
**VARIABLE PAY PLAN FOR EMPLOYEES**

The Atmos Energy Corporation Variable Pay Plan for Employees (hereinafter called the "Plan") was adopted by Atmos Energy Corporation, a Texas and Virginia corporation (hereinafter called the "Company"), to be effective October 1, 1998.

**ARTICLE 1**

**PURPOSE**

The Plan is intended to provide the Company a means by which it can engender and sustain a sense of personal commitment on the part of its Employees in the continued growth, development, and financial success of the Company. It is intended to encourage them to remain with and devote their best efforts to the business of the Company, thereby advancing the interests of the Company and its shareholders. Accordingly, the Company may award to Employees incentive compensation on the terms and conditions established herein.

**ARTICLE 2**

**DEFINITIONS**

For the purposes of the Plan, unless the context requires otherwise, the following terms shall have the meanings indicated:

2.1 "Incentive Award" or "Award" means the compensation payable under this Plan, in cash to a Participant by the Committee pursuant to such terms, conditions, restrictions, and limitations established by the Committee and Plan.

2.2 "Board" means the Board of Directors of the Company.

2.3 "Code" means the Internal Revenue Code of 1986, as amended, together with the published rulings, regulations, and interpretations duly promulgated thereunder.

2.4 "Committee" means the Management Committee of the Company or other committee appointed or designated by the Board to administer the Plan in accordance with Article 3 of this Plan.

2.5 "Company" means Atmos Energy Corporation, a Texas and Virginia corporation, and any successor entity.

2.6 "Eligible Earnings" means the total of all amounts paid to an Employee for personal services as reported on the Employee's Federal Income Tax Withholding Statement (Form W-2) but excluding (i) expense reimbursements, (ii) bonuses/incentive compensation, (iii) any contributions under any deferred compensation or welfare benefit Plan, and (iv) other special payments of any kind.



2.7 "Employee" means common law employee (as defined in accordance with the Regulations and Revenue Rulings then applicable under Section 3401(c) of the Code) of the Company and any Subsidiary of the Company.

2.8 "Participant" means an Employee who meets the criteria to participate in the Plan.

2.9 "Performance Criteria" or "Performance Goals" or "Performance Measures" mean the objectives established by the Committee for the Performance Period pursuant to Article 5 hereof, for the purpose of determining Awards under the Plan.

2.10 "Performance Period" means the consecutive twelve-month period that constitutes the Company's fiscal year.

2.11 "Plan" means the Atmos Energy Corporation Variable Pay Plan for Employees, dated October 1, 1998, as amended from time to time.

2.12 "Regular Employment Status" means employment for an unspecified period of time on a work schedule of either: (1) at least forty hours per week or at least 2,080 hours per year, and paid at a monthly rate, or (2) less than forty hours per week or less than 2,080 hours per year, and paid at an hourly rate.

2.13 "Subsidiary" means (i) any corporation in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing a majority of the total combined voting power of all classes of stock in one of the other corporations in the chain, (ii) any limited partnership, if the Company or any corporation described in item (i) above owns a majority of the general partnership interest and a majority of the limited partnership interests entitled to vote on the removal and replacement of the general partner, and (iii) any partnership or limited liability Company, if the partners or members thereof are composed only of the Company, any corporation listed in item (i) above or any limited partnership listed in item (ii) above. "Subsidiaries" means more than one of any such corporations, limited partnerships, partnerships or limited liability companies.

2.14 "Termination of Service" occurs when a Participant who is an Employee of the Company or any Subsidiary shall cease to serve as an Employee of the Company and its Subsidiaries, for any reason.

### ARTICLE 3

#### ADMINISTRATION

The Plan shall be administered by the Committee as designated in accordance with Section 2.4 above.

The Committee, in its discretion, shall (i) interpret the Plan, (ii) prescribe, amend, and rescind any rules and regulations necessary or appropriate for the administration of the Plan, and (iii) make such other determinations and take such other action as it deems necessary or advisable in the administration of the Plan. Any interpretation, determination, or other action made or taken by the Committee shall be final, binding, and conclusive on all interested parties.

## ARTICLE 4

### ELIGIBILITY

Any Employee who meets the following criteria is eligible to participate in the Plan. Employees who are considered to be in Regular Employment Status, and who are not participants in the Company's Annual Incentive Plan for Management are eligible to participate in the Plan. Additionally, Employees covered by a collective bargaining agreement between the Company and a bargaining agent will become Participants in the Plan provided such Plan participation is negotiated and agreed upon in good faith between the Company and such bargaining agent.

## ARTICLE 5

### PERFORMANCE GOALS AND MEASUREMENT

5.1 Performance Goals Establishment. Performance Goals shall be established by the Committee not later than 90 days after commencement of the Performance Period. The Performance Goals may be identical for all Participants or, at the discretion of the Committee, may be different to reflect more appropriate measures of performance.

5.2 Performance Goals. Performance Goals relating to Participants for a Performance Period shall be established by the Committee in writing. Performance Goals may include alternative and multiple Performance Goals and may be based on one or more business and/or financial criteria. In establishing the Performance Goals for the Plan Year, the Committee in its discretion may include one or any combination of the following criteria in either absolute or relative terms, for either the Company or any of its Subsidiary organizations:

- (a) Total shareholder return
- (b) Return on assets, equity, capital, or investment
- (c) Pre-tax or after-tax profit levels, including: earnings per share; earnings before interest and taxes; earnings before interest, taxes, depreciation and amortization; net operating profits after tax, and net income
- (d) Cash flow and cash flow return on investment
- (e) Economic value added and economic profit
- (f) Growth in earnings per share
- (g) Levels of operating expense or other expense items as reported on the income statement, including operating and maintenance expense and capital expense
- (h) Measures of customer satisfaction and customer service as surveyed from time to time, including the relative improvement therein.

5.3. Adjustments for Extraordinary Items. The Committee shall be authorized to make adjustments in the method of calculating attainment of Performance Goals in recognition of: (i) extraordinary or non-recurring items, (ii) changes in tax laws, (iii) changes in generally accepted accounting principles or changes in accounting policies, (iv) charges related to restructured or discontinued operations, (v) restatement of prior period financial results, and (vi) any other unusual, non-recurring gain or loss that is separately identified and quantified in the Company's financial statements. Notwithstanding the foregoing, the Committee may, in its sole discretion, reduce the performance results upon which Awards are based under the Plan, to offset

any unintended result(s) arising from events not anticipated when the Performance Goals were established.

5.4 Determination of Awards. Awards shall be made annually in accordance with actual performance compared to the Performance Goals previously established by the Committee for the Performance Period. The award and payment of any Award under this Plan to a Participant with respect to the Performance Period shall be contingent upon the attainment of the Performance Goals that are applicable to such Participant. The Committee shall certify in writing prior to payment of any such Award that such applicable Performance Goals relating to the Award are satisfied. Approved minutes of the Committee may be used for this purpose.

The Committee, upon its own action, may make, but shall not be required to make, an Award to any Participant. Awards may be made by the Committee at any time and from time to time to new Participants, or to then Participants, or to a greater or lesser number of Participants, and may include or exclude previous Participants, as the Committee shall determine. The Committee's determinations under the Plan (including, without limitation, determinations of which Participants, if any, are to receive Awards, the amount of such Awards, and the terms and provisions of such Awards) may be made by the Committee selectively among Participants. An Employee must be a Participant in the Plan for a minimum of six months during the Plan Year to be eligible for an Award for that Plan Year.

## **ARTICLE 6**

### **AWARDS**

6.1 Timing of Awards. Within 60 days following the completion of the Performance Period, the Committee shall review the prior year's performance in relation to the Performance Goals and shall determine the Awards to be made to Participants.

6.2 Form and Payment of Awards. Awards shall be paid in cash as soon as administratively possible following the determination of those Awards.

## **ARTICLE 7**

### **WITHHOLDING TAXES**

The Company shall have the right to deduct from any payment to be made pursuant to the Plan the amount of any taxes required by law to be withheld with respect to such payments.

## **ARTICLE 8**

### **NO RIGHT TO CONTINUED EMPLOYMENT OR AWARDS**

No Employee shall have any claim or right to be made an Award, and the making of an Award shall not be construed as giving a Participant the right to be retained in the employ of the Company or any of its Subsidiaries. Further, the Company and its Subsidiaries expressly reserve the right at any time to terminate the employment of any Participant free from any liability under the Plan.

**ARTICLE 9**

**AMENDMENT, MODIFICATION, SUSPENSION, OR TERMINATION**

Subject to the limitations set forth in the Article 9, the Board may at any time and from time to time, without the consent of the Participants, alter, amend, revise, suspend, or discontinue the Plan in whole or in part.

**ARTICLE 10**

**GOVERNING LAW**

The validity, construction and effect of the Plan and any actions taken or relating to the Plan shall be determined in accordance with the laws of the State of Texas and applicable Federal law.

**ARTICLE 11**

**SUCCESSORS AND ASSIGNS**

The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, expressly to assume and agree to perform the Company's obligation under this Plan in the same manner and to the same extent that the Company would be required to perform them if no such succession had taken place. As used herein, the "Company" shall mean the Company as hereinbefore defined and any aforesaid successor to its business and/or assets.

**ARTICLE 12**

**EFFECTIVE DATE**

This Plan shall be effective as of October 1, 1998.

**ARTICLE 13**

**INDEMNIFICATION**

No member of the Board or the Committee, nor any officer or Employee of the Company acting on behalf of the Board or the Committee, shall be personally liable for any action, determination, or interpretation taken or made in good faith with respect to the Plan, and all members of the Board or the Committee and each and any officer or Employee of the Company acting on their behalf shall, to the extent permitted by law, be fully indemnified and protected by the Company in respect of any such action, determination, or interpretation.

\* \* \* \* \*

IN WITNESS WHEREOF, the Company has caused this instrument to be executed effective as of October 1, 1998 by its President pursuant to prior action taken by the Board.

**ATMOS ENERGY CORPORATION**

By: \_\_\_\_\_  
Robert W. Best,  
Chairman of the Board, President  
and Chief Executive Officer

Attest:

\_\_\_\_\_  
Secretary

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<u>ANNUAL INCENTIVE PLAN</u>		
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2.3 “Bonus Stock” or “Bonus Shares” means shares of Common Stock of the Company awarded to a Participant as permitted and pursuant to the terms of the Long Term Incentive Plan.

2.4 (a) “Change in Control” of the Company shall be deemed to have occurred if:

(i) Any “Person” (as defined in Section 2.4(b)(i) below), other than (1) the Company or any of its Subsidiaries, (2) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (3) an underwriter temporarily holding securities pursuant to an offering of such securities, or (4) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company, is or becomes the “beneficial owner” (as defined in Section 2.4(b)(ii) below), directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person any securities acquired directly from the Company or its Affiliates) representing 33-1/3% or more of the combined voting power of the Company’s then outstanding securities, or 33-1/3% or more of the then outstanding common stock of the Company, excluding any Person who becomes such a beneficial owner in connection with a transaction described in subparagraph (iii)(A) below.

(ii) During any period of two consecutive years (the “Period”), individuals who at the beginning of the Period constitute the Board of Directors of the Company and any “new director” (as defined in Section 2.4(b)(iii) below) cease for any reason to constitute a majority of the Board of Directors.

(iii) There is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, except if:

(A) the merger or consolidation would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least sixty percent (60%) of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation; or

(B) the merger or consolidation is effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the beneficial owner, directly, or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates other than in connection with the acquisition by the Company or its Affiliates of a business) representing 60% or more of the combined voting power of the Company's then outstanding securities;

(iv) The shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 60% of the combined voting power of the voting securities of which are owned by the stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

(b) Definitions. For purposes of Section 2.4(a) above,

(i) "Person" shall have the meaning given in Section 3(a)(9) of the Securities Exchange Act of 1934 (the "1934 Act") as modified and used in Sections 13(d) and 14(d) of the 1934 Act.

(ii) "Beneficial owner" shall have the meaning provided in Rule 13d-3 under the 1934 Act.

(iii) "New director" shall mean an individual whose election by the Company's Board of Directors or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the Period or whose election or nomination for election was previously so approved or recommended. However, "new director" shall not include a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation relating to the election of directors of the Company.

(iv) "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the 1934 Act.

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Committee



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2.7 "Common Stock" or "Common Shares" means the Common Stock of the Company, with a par value of \$1.00 per share, or such other security or right or instrument into which such common stock may be changed or converted in the future.

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2.9 "Covered Participant" means a Participant who is a "covered employee" as defined in Section 162(m)(3) of the Code, and the regulations promulgated thereunder, or who the Committee believes will be such a covered employee for a Performance Period, and who the Committee believes may have remuneration in excess of \$1,000,000 for the Performance Period, as provided in Section 162(m) of the Code.

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Board may select, on the appropriate date, or in the absence of reported sales on such day, the most recent previous day for which sales were reported.

2.13 "Long-Term Incentive Plan" is the Atmos Energy Corporation 1998 Long-Term Incentive Compensation Plan, as amended from time to time.

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2.18 "Restricted Stock" or "Restricted Shares" means shares of Common Stock of the Company contingently granted to a Participant as permitted and pursuant to the terms and

provisions of the Long-Term Incentive Plan.

2.19 “Section 162(m)” means Section 162(m) of the Code and the regulations promulgated thereunder.

2.20 “Stock Option” or “Option” means an option to purchase Common Shares of the Company as permitted and pursuant to the terms and provisions of the Long-Term Incentive Plan.

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Page 2: [18] Deleted In all cases, membership on the Committee shall be limited to those members of the Boards who are Non-employee Directors and who are “outside directors” under Section 162(m) of the Code. The Committee shall select one of its members to act as its Chairman. A majority of the Committee shall constitute a quorum, and the act of a majority of the members of the Committee present at a meeting at which a quorum is present shall be the act of the Committee.	Susan Haslett	07/19/1998 2:38:00 PM
The Committee shall determine and designate from time to time the eligible persons to whom Awards will be made.		
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Plan

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With respect to restrictions in the Plan that are based on the requirements of Section 162(m) of the Code or any other applicable law, rule or restriction (collectively, "applicable law"), to the extent that any such restrictions are no longer required by applicable law, the Committee shall have the sole discretion and authority to make Awards hereunder that are no longer subject to such restrictions.

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However, if and as the Committee so permits and depending upon the Participant's voluntary election prior to the commencement of the Performance Period, the Participant may elect to convert his Award in 25 percent increments, in whole or part, into the following forms:

(a) Deferred Compensation. The Participant may elect to defer receipt of all or a portion of the Award under provisions of the Executive Nonqualified Deferred Compensation Plan.

(b) Bonus Stock. The Participant may elect to convert all or a portion of the Award to Bonus Shares, with the value of the Bonus Shares (based on the Fair Market Value of such Bonus Shares as of the date of conversion) being equal to the amount of the Award converted plus 10 percent of such converted amount. Such Bonus Shares shall be unrestricted and shall be granted pursuant to the Long-Term Incentive Plan.

(c) Restricted Stock Awards. The Participant may elect to convert all or a portion of the Award to Company Restricted Shares, with the value of the Restricted Shares (based on the Fair Market Value of such Restricted Shares as of the date of conversion) being equal to the amount of the Award converted plus 50 percent of such converted amount. Such Restricted Stock will have a restriction period of not less than 3 years from the date of grant. These Restricted Shares will be granted pursuant to the Long-Term Incentive Plan.

(d) Non Qualified Stock Options. The Participant may elect to convert all or a portion of the Award to Stock Options, with the value of the Stock Options (determined on the date of grant using the Black-Scholes option pricing model) equal to the amount of the Award being converted plus 100% of such converted amount. The term of the Stock Option shall not be greater than 10 years, and the Stock Option will not be fully vested until 3 years have passed from the date of grant. All Stock Options shall be granted at 100 percent of the Common Stock's Fair Market Value on the Date of grant. These Stock Options will be granted pursuant to the Long-Term Incentive Plan.

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ARTICLE 9

### CHANGE IN CONTROL

Immediately upon a Change in Control, notwithstanding any other provision of this Plan, all Awards for the Performance Period in which the Change in Control occurs shall be deemed earned at the maximum Performance Goal level, and the Company shall make a payment in cash

to each Participant within ten (10) days after the effective date of the Change in Control in the amount of such maximum Award. The making of Awards under the Plan shall in no way affect the right of the Company to adjust, reclassify, reorganize, or otherwise change its capital or business structure, or to merge, consolidate, dissolve, liquidate, sell or transfer all or any portion of its businesses or ass

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; provided, however, that no amendment which requires stockholder approval in order for the Plan and Awards under the Plan to continue to comply with Section 162(m) of the Code, including any successors to such Section, shall be effective unless such amendment shall be approved by the requisite vote of the stockholders of the Company entitled to vote thereon.

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Notwithstanding the foregoing, the adoption of this Plan is expressly conditioned upon the approval by the Company's shareholders at the annual meeting of the Company's shareholders held in 1999.

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If the shareholders of the Company shall fail to approve this Plan prior to August 12, 1999, this Plan may be terminated by the Company.

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Subject to earlier termination pursuant to Article 10, the Plan shall have a term of 5 years from its effective date. After termination of the Plan, no future Awards may be made.

## **ARTICLE 14**

### **INTERPRETATION**

The Plan is designed to comply with Section 162(m) of the Code, and all provisions hereof shall be construed in a manner consistent with that intent.

Atmos Energy Corporation, KY

Case No. 2. J0464

AG DRI-62 Item C

	Forecasted Test Year(Total)	Forecasted Test Year(Expense)	Allocated to Kentucky
<b><u>MIP &amp; VPP</u></b>			
SSU @5.2%	4,514,864	2,266,462	117,856
Kentucky direct	117,016	60,497	60,497
General Office@36.776%	328,111	169,633	62,384
<b>Total MIP &amp; VPP</b>	4,959,991	2,496,592	240,738
<b><u>MIP ONLY</u></b>			
SSU @5.2%	3,657,040	1,835,834	95,463
Kentucky direct	-	-	-
General Office@36.776%	265,770	137,403	50,531
<b>TOTAL MIP</b>	3,922,810	1,973,237	145,995
<b><u>VPP ONLY</u></b>			
SSU @5.2%	857,824	430,628	22,393
Kentucky direct	117,016	60,497	60,497
General Office@36.776%	62,341	32,230	11,853
<b>Total VPP</b>	1,037,181	523,355	94,743
<b><u>Restricted Stock</u></b>			
SSU @5.2%	4,800,020	2,721,611	141,524
Kentucky direct	18,808	9,724	9,724
General Office@36.776%	124,512	64,373	23,674
<b>Total Restricted Stock</b>	4,943,339	2,795,707	174,921

Atmos Energy Corporation, KY  
Case No. 2006-00464  
AG DR1-62 item D

	2004		
	Test Year(Total)	Test Year(Expense)	Allocated
<b><u>MIP &amp; VPP</u></b>			
SSU @10 17%	2,450,440	1,698,155	172,702
Kentucky direct	357,028	159,587	159,587
General Office	666,094	305,192	-
<b>Total MIP &amp; VPP</b>	<b>3,473,562</b>	<b>2,162,934</b>	<b>332,289</b>
<b><u>MIP ONLY</u></b>			
SSU @10 17%	2,004,460	1,389,091	141,271
Kentucky direct	103,181	46,121	46,121
General Office	177,846	81,486	-
<b>TOTAL MIP</b>	<b>2,285,487</b>	<b>1,516,698</b>	<b>187,391</b>
<b><u>VPP ONLY</u></b>			
SSU @10 17%	445,980	309,064	31,432
Kentucky direct	253,847	113,466	113,466
General Office	488,248	223,706	-
<b>Total VPP</b>	<b>1,188,075</b>	<b>646,236</b>	<b>144,898</b>
<b><u>Restricted Stock</u></b>			
SSU @10 17%	1,165,879	807,954	42,014
Kentucky direct	84,032	36,134	36,134
General Office	702,885	302,241	-
<b>Total Restricted Stock</b>	<b>1,952,796</b>	<b>1,146,329</b>	<b>78,147</b>
	2005		
	Test Year(Total)	Test Year(Expense)	Allocated
<b><u>MIP &amp; VPP</u></b>			
SSU @4.87%	2,788,964	1,400,060	68,183
Kentucky direct	315,120	138,635	138,635
General Office	625,975	301,742	-
<b>Total MIP &amp; VPP</b>	<b>3,730,059</b>	<b>1,840,437</b>	<b>206,818</b>
<b><u>MIP ONLY</u></b>			
SSU @4.87%	2,183,759	1,096,247	53,387
Kentucky direct	86,658	38,125	38,125
General Office	184,037	88,712	-
<b>TOTAL MIP</b>	<b>2,454,453</b>	<b>1,223,084</b>	<b>91,512</b>
<b><u>VPP ONLY</u></b>			
SSU @4.87%	605,205	303,813	14,796
Kentucky direct	228,462	100,510	100,510
General Office	441,938	213,030	-
<b>Total VPP</b>	<b>1,275,606</b>	<b>617,353</b>	<b>115,306</b>
<b><u>Restricted Stock</u></b>			
SSU @4.87%	2,974,045	2,069,936	107,637
Kentucky direct	223,580	105,083	105,083
General Office	275,406	129,441	-
<b>Total Restricted Stock</b>	<b>3,473,031</b>	<b>2,304,459</b>	<b>212,719</b>
	2006		
	Test Year(Total)	Test Year(Expense)	Allocated
<b><u>MIP &amp; VPP</u></b>			
SSU @5.21%	3,961,320	1,988,583	103,605
Kentucky direct	466,931	196,264	196,264
General Office	612,107	240,130	-
<b>Total MIP &amp; VPP</b>	<b>5,040,358</b>	<b>2,424,977</b>	<b>299,869</b>
<b><u>MIP ONLY</u></b>			
SSU @5.21%	3,066,062	1,539,163	80,190
Kentucky direct	177,434	74,580	74,580
General Office	120,585	47,306	-
<b>Total MIP &amp; VPP</b>	<b>3,364,081</b>	<b>1,661,049</b>	<b>154,771</b>
<b><u>VPP ONLY</u></b>			
SSU @5.21%	895,258	449,420	23,415
Kentucky direct	289,497	121,684	121,684
General Office	491,522	192,825	-
<b>Total MIP &amp; VPP</b>	<b>1,676,278</b>	<b>763,928</b>	<b>145,098</b>
<b><u>Restricted Stock</u></b>			
SSU @5.21%	6,687,459	4,534,097	236,226
Kentucky direct	253,968	119,365	119,365
General Office	494,219	232,283	-
<b>Total MIP &amp; VPP</b>	<b>7,435,646</b>	<b>4,885,745</b>	<b>355,591</b>

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 63**  
**Witness: Greg Waller**

**Data Request:**

Please provide worksheets showing the above-the-line forecasted test year expenses (charged to O&M) allocated from the SSU to Kentucky for ratemaking purposes in this case. Provide these O&M expenses in total and by detailed functional type of expense. In addition, identify and quantify the following type of expenses included in these allocated test year expenses:

- a. Promotional and institutional advertising.
- b. Charitable contributions.
- c. Lobbying and governmental affairs.
- d. Public relations and community relations.
- e. Service awards, party, outing and gift expenses.
- f. Incentive compensation expenses.

**Response:**

See attachment labeled Case 2006-00464 AG DR1-63 ATT.

- a. \$19,530 See attachment labeled Case 2006-00464 AG DR1-63 ATT A SSU.
- b. Charitable contributions are booked below the line and are not included in the forecasted test period.
- c. See attachment labeled Case 2006-00464 AG DR1-58 ATT item D for information relevant to governmental affairs. Other political activity expenses are booked below the line and are not included in the forecasted test period.
- d. \$14,023. See attachment labeled Case 2006-00464 AG DR1-63 ATT A SSU.
- e. See attachment labeled Case 2006-00464 AG DR1-57 to Company's response to AG DR 1-57.
- f. See the attachment labeled Case 2006-00464 AG DR1-62 ATT item c to Company's response to AG DR 1-62.





	July	August	September	October	November	December	January '08	February	March	
A&G-Maintenance of - Heavy Equipment 9320-04302	9320-04302	(0.01)	(0.01)	0.37	(0.01)	(0.01)	0.38	(0.01)	(0.01)	0.33
Miscellaneous gener - Heavy Equipment 9302-04302	9302-04302	(15.70)	(15.70)	523.05	(16.09)	(16.09)	536.13	(16.09)	(16.09)	458.90
A&G-Office supplies - Heavy Equipment 9210-04302	9210-04302	(1.03)	(1.03)	34.35	(1.06)	(1.06)	35.21	(1.06)	(1.06)	30.14
<b>Vehicles &amp; Equip</b>	<b>625.00</b>	<b>625.00</b>	<b>(20,825.00)</b>	<b>640.63</b>	<b>640.63</b>	<b>640.63</b>	<b>(21,345.63)</b>	<b>640.63</b>	<b>640.63</b>	<b>(18,270.63)</b>
A&G-Office supplies - Gas Bill Forms 9210-04053	9210-04053	24.80	22.23	25.00	24.72	25.72	24.65	26.35	26.35	26.44
Distribution-Operat - Postage/Delivery Services 8700-05111	8700-05111	6.59	5.91	6.64	6.57	7.06	6.83	6.55	7.00	7.02
A&G-Office supplies - Postage/Delivery Services 9210-05111	9210-05111	25,763.15	23,099.22	25,971.44	25,680.00	27,601.12	25,616.64	27,379.15	27,379.15	27,471.76
A&G-Maintenance of - Postage/Delivery Services 9320-05111	9320-05111	8.93	8.00	9.00	8.90	9.56	9.26	8.88	9.49	9.52
Miscellaneous gener - Postage/Delivery Services 9302-05111	9302-05111	23.86	21.39	24.05	23.78	25.56	24.75	23.73	25.36	25.44
A&G-Employee pensio - Postage/Delivery Services 9260-05111	9260-05111	75.94	68.09	76.56	75.70	81.36	78.77	75.51	80.71	80.98
A&G-Outside service - Postage/Delivery Services 9230-05111	9230-05111	1,141.44	1,023.41	1,150.67	1,137.76	1,222.87	1,183.93	1,213.04	1,213.04	1,217.14
Customer accounts-M - Postage/Delivery Services 9050-05111	9050-05111	36.54	32.76	36.83	36.42	39.14	36.33	38.83	38.83	38.96
Customer accounts-C - Postage/Delivery Services 9030-05111	9030-05111	7.48	6.70	7.54	7.45	8.01	7.75	7.43	7.94	7.97
<b>Print &amp; Postages</b>	<b>27,088.72</b>	<b>24,287.72</b>	<b>27,307.72</b>	<b>27,001.29</b>	<b>29,021.26</b>	<b>28,097.01</b>	<b>26,934.66</b>	<b>28,787.86</b>	<b>28,787.86</b>	<b>28,885.24</b>
A&G-Property insura - Blueflame Property Insurance 9240-04069	9240-04069	21,316.51	21,316.51	21,316.51	21,316.51	20,938.80	21,218.12	21,218.12	21,218.12	21,218.12
A&G-Injuries & dama - Insurance 9250-04070	9250-04070	46,779.81	46,779.81	46,779.81	47,609.41	45,969.91	46,563.89	46,563.89	46,563.89	46,563.89
A&G-Property insura - Insurance 9240-04070	9240-04070	12,521.24	12,521.24	12,521.24	12,743.30	12,299.38	12,304.46	12,463.45	12,463.45	12,463.45
A&G-Office supplies - Insurance 9210-04070	9210-04070	70.28	70.28	70.28	71.52	69.03	69.06	69.95	69.95	69.95
A&G-Injuries & dama - Insurance - D&O 9250-07119	9250-07119	445,012.02	445,012.02	445,012.02	452,903.87	437,307.31	442,958.01	442,958.01	442,958.01	442,958.01
A&G-Office supplies - Insurance - D&O 9210-07119	9210-07119	118.40	118.40	118.40	120.50	116.30	117.86	117.86	117.86	117.86
A&G-Injuries & dama - Environmental & Safety 9250-07120	9250-07120	499.96	499.96	499.96	508.83	491.10	497.65	497.65	497.65	497.65
A&G-Office supplies - Environmental & Safety 9210-07120	9210-07120	41.91	41.91	41.91	42.66	41.17	41.19	41.72	41.72	41.72
<b>Insurance</b>	<b>526,360.14</b>	<b>526,360.14</b>	<b>526,360.14</b>	<b>535,694.62</b>	<b>517,033.47</b>	<b>517,247.01</b>	<b>523,930.66</b>	<b>523,930.66</b>	<b>523,930.66</b>	<b>523,930.66</b>
A&G-Office supplies - Safety, Newspaper 9210-04001	9210-04001	1,477.44	1,477.44	1,477.44	1,514.37	1,514.37	1,514.37	1,514.37	1,514.37	1,514.37
Miscellaneous gener - Safety, Newspaper 9302-04001	9302-04001	29,330.15	29,330.15	29,332.08	30,063.40	30,063.40	30,063.40	30,063.40	30,063.40	30,063.40
Mains and Services - Safety, Newspaper 8740-04001	8740-04001	16.77	16.77	16.77	17.19	17.19	17.19	17.19	17.19	17.19
A&G-Office supplies - Promo Other, Misc 9210-04021	9210-04021	608.07	608.07	608.11	623.27	623.27	623.27	623.27	623.27	623.27
Miscellaneous gener - Promo Other, Misc 9302-04021	9302-04021	15.76	15.76	15.76	16.16	16.16	16.16	16.16	16.16	16.16
A&G-Office supplies - Community Rel&Trade Shows 9210-04040	9210-04040	146.89	146.89	146.90	150.56	150.56	150.56	150.56	150.56	150.56
A&G-Office supplies - Advertising 9210-04044	9210-04044	1,080.11	1,080.11	1,080.18	1,107.11	1,107.11	1,107.11	1,107.11	1,107.11	1,107.11
Miscellaneous gener - Advertising 9302-04044	9302-04044	5,755.29	5,755.29	5,755.67	5,899.18	5,899.18	5,899.18	5,899.18	5,899.18	5,899.18
A&G-Office supplies - Cust Relations & Assist 9210-04046	9210-04046	1,074.11	1,074.11	1,074.18	1,100.96	1,100.96	1,100.96	1,100.96	1,100.96	1,100.96
Miscellaneous gener - Cust Relations & Assist 9302-04046	9302-04046	20,691.42	20,691.42	20,692.78	21,208.70	21,208.70	21,208.70	21,208.70	21,208.70	21,208.70
Customer service-MI - Cust Relations & Assist 9100-04046	9100-04046	666.99	666.99	667.03	683.66	683.66	683.66	683.66	683.66	683.66
<b>Marketing</b>	<b>60,863.00</b>	<b>60,863.00</b>	<b>60,863.00</b>	<b>67,738.55</b>	<b>62,384.58</b>	<b>62,384.58</b>	<b>62,384.58</b>	<b>62,384.58</b>	<b>62,384.58</b>	<b>62,384.58</b>
A&G-Employee pensio - Service Awards 9260-07421	9260-07421	4,873.67	4,894.45	4,876.38	6,581.49	7,314.66	8,272.83	8,768.95	7,372.79	4,639.98
A&G-Administrative - Service Awards 9200-07421	9200-07421	19.76	19.85	19.77	26.69	29.66	33.55	35.56	29.90	18.81
A&G-Office supplies - Service Awards 9210-07421	9210-07421	865.26	868.95	865.74	1,168.46	1,298.63	1,468.74	1,556.82	1,308.95	823.77
A&G-Employee pensio - Uniforms 9260-07443	9260-07443	30.94	31.07	30.95	41.78	46.43	52.51	55.66	46.80	29.45
A&G-Employee pensio - Education Assistance Program 9260-07447	9260-07447	15,631.04	15,697.67	15,639.73	21,108.41	23,459.88	26,532.96	28,124.13	23,646.30	14,881.54
A&G-Employee pensio - Restricted Stock 9260-07451	9260-07451	325,232.26	326,618.61	325,413.17	439,199.08	488,125.67	552,066.63	585,173.96	492,004.48	309,637.67
A&G-Employee pensio - Variable Pay & Mgmt Incentive Plans 9260-07452	9260-07452	305,911.09	307,215.08	306,081.25	413,107.44	459,127.44	519,269.84	550,410.35	462,775.82	291,242.93
A&G-Employee pensio - Exec Compensation-Other 9260-07453	9260-07453	879.19	882.94	879.68	1,187.27	1,319.53	1,492.38	1,581.88	1,330.02	837.03
A&G-Employee pensio - Stock options 9260-07455	9260-07455	151.41	152.05	151.49	204.46	227.24	257.01	272.42	229.05	144.15
A&G-Employee pensio - Rabbi Trust Gain/Loss 9260-07486	9260-07486	(82,789.79)	(83,142.69)	(82,835.84)	(111,800.71)	(124,255.27)	(140,531.82)	(148,959.48)	(125,242.64)	(78,820.09)
A&G-Employee pensio - COLI CSV & Premiums 9260-07487	9260-07487	(47,987.29)	(48,191.85)	(48,013.99)	(64,802.84)	(72,021.86)	(81,456.20)	(86,341.11)	(72,594.16)	(45,686.35)
A&G-Employee pensio - COLI Loan Interest 9260-07488	9260-07488	92,510.59	92,904.93	92,562.05	124,927.84	138,844.76	157,032.42	166,449.62	139,948.06	88,074.79
A&G-Employee pensio - NQ Retirement Cost 9260-07489	9260-07489	721,618.68	724,694.69	722,020.09	974,485.92	1,083,043.25	1,224,914.13	1,298,371.99	1,091,649.45	687,017.71
A&G-Administrative - Misc Employee Welfare Exp 9200-07499	9200-07499	37.40	37.55	37.42	50.50	56.13	63.48	67.28	56.57	35.60
A&G-Office supplies - Misc Employee Welfare Exp 9210-07499	9210-07499	17,987.79	18,064.47	17,997.80	24,291.02	26,997.03	30,533.44	32,364.53	27,211.55	17,125.29
A&G-Outside service - Misc Employee Welfare Exp 9230-07499	9230-07499	217.46	218.39	217.58	293.66	369.13	391.27	328.97	328.97	207.03
A&G-Employee pensio - Misc Employee Welfare Exp 9260-07499	9260-07499	5,627.70	5,651.69	5,630.83	7,599.74	8,446.34	9,552.75	10,125.63	8,513.46	5,357.85
Miscellaneous gener - Misc Employee Welfare Exp 9302-07499	9302-07499	33.64	33.78	33.66	45.43	50.49	60.53	60.53	50.89	32.03
Distribution-Operat - Misc Employee Welfare Exp 8700-07499	8700-07499	2.74	2.76	2.75	3.71	4.12	4.66	4.94	4.15	2.61
Customer accounts-C - Misc Employee Welfare Exp 9030-07499	9030-07499	39.88	40.05	39.90	53.85	59.85	67.69	71.75	60.33	37.97
<b>Employee Welfare</b>	<b>1,360,893.42</b>	<b>1,366,694.42</b>	<b>1,361,650.42</b>	<b>1,837,773.19</b>	<b>2,042,500.37</b>	<b>2,310,053.23</b>	<b>2,448,586.68</b>	<b>2,058,730.73</b>	<b>2,058,730.73</b>	<b>1,295,639.80</b>
A&G-Office supplies - Offsite Storage 9210-04065	9210-04065	25,745.69	23,456.09	24,546.34	33,987.67	25,359.35	26,488.24	38,507.21	38,507.21	25,746.19

	July	August	September	October	November	December	January '08	February	March
Distribution-Operat - Software Maintenance 8700-04201	809.76	737.75	772.04	1,068.99	798.56	678.06	833.12	1,211.15	809.78
A&G-Office supplies - Software Maintenance 9210-04201	111,354.76	101,451.83	106,167.32	147,002.78	109,813.53	93,243.82	114,566.39	166,550.62	111,356.90
A&G-Outside service - Software Maintenance 9230-04201	17,848.89	16,261.56	17,017.40	23,562.86	17,601.85	14,945.91	18,363.68	26,696.15	17,849.23
A&G-Maintenance of - Software Maintenance 9320-04201	324,188.47	295,557.94	309,086.23	427,970.99	319,701.46	271,461.87	333,538.54	484,880.86	324,194.69
Distribution-Operat - IT Equipment Maintenance 8700-04212	1,059.26	965.06	1,009.92	1,398.36	1,044.60	886.98	1,089.81	1,584.31	1,059.28
A&G-Administrative - IT Equipment Maintenance 9200-04212	46.27	42.16	44.12	61.09	45.63	38.75	47.61	69.21	46.28
A&G-Office supplies - IT Equipment Maintenance 9210-04212	15,368.81	14,002.04	14,652.86	20,288.83	15,156.09	12,869.20	15,812.07	22,986.76	15,369.10
A&G-Maintenance of - IT Equipment Maintenance 9210-04212	52,169.58	47,530.07	49,739.27	68,870.24	51,447.52	43,684.63	53,674.23	78,028.78	52,170.58
<b>Information Technologies</b>	<b>548,591.50</b>	<b>499,804.50</b>	<b>523,035.50</b>	<b>724,212.21</b>	<b>540,998.59</b>	<b>459,367.59</b>	<b>564,413.69</b>	<b>820,515.06</b>	<b>548,602.04</b>
A&G-Rentals - Building Lease/Rentals 9310-04581	344,031.38	348,680.85	344,842.93	352,138.27	359,690.61	361,492.05	356,466.39	354,911.04	355,456.93
A&G-Office supplies - Building Lease/Rentals 9210-04581	1,983.85	2,010.66	1,988.53	2,030.60	2,074.15	2,084.94	2,055.56	2,046.59	2,049.74
Distribution-Rentals - Building Lease/Rentals 8810-04582	6,499.95	6,587.79	6,515.28	6,653.11	6,795.80	6,829.84	6,734.89	6,705.50	6,715.82
A&G-Maintenance of - Building Maintenance 9320-04582	28.30	28.68	28.36	28.96	29.58	29.73	29.32	29.19	29.24
A&G-Rentals - Building Maintenance 9310-04582	11,670.78	11,828.51	11,698.31	11,945.80	12,202.00	12,263.11	12,092.62	12,039.86	12,058.38
A&G-Office supplies - Building Maintenance 9210-04582	9,927.33	10,061.50	9,950.75	10,161.26	10,379.19	10,431.18	10,286.16	10,241.28	10,257.03
Distribution-Rentals - Building Maintenance 8810-04582	28.72	29.11	28.79	29.40	30.03	30.18	29.76	29.63	29.67
A&G-Rentals - Utilities 9310-04590	4,022.30	4,076.66	4,031.79	4,117.08	4,205.38	4,226.44	4,167.68	4,149.50	4,155.88
A&G-Office supplies - Utilities 9210-04590	9,423.36	9,550.71	9,445.59	9,645.41	9,852.28	9,901.62	9,763.96	9,721.36	9,736.31
Customer accounts-C - Utilities 9100-04590	752.98	763.16	754.76	770.73	787.26	791.20	780.20	776.79	777.99
Customer accounts-C - Utilities 9030-04590	17,690.98	17,930.07	17,732.71	18,107.86	18,496.22	18,588.85	18,330.42	18,250.44	18,278.51
Distribution-Rentals - Utilities 8810-04590	905.44	917.68	907.58	926.78	946.66	951.40	938.17	934.08	935.52
<b>Rent, Maint., &amp; Utilities</b>	<b>406,965.38</b>	<b>412,465.38</b>	<b>407,925.38</b>	<b>416,555.26</b>	<b>425,489.16</b>	<b>427,620.14</b>	<b>421,675.14</b>	<b>419,835.26</b>	<b>420,481.01</b>
Miscellaneous gener - Director's Fees 9302-04111	69,508.31	57,971.98	74,448.85	65,966.61	71,283.49	89,178.90	112,740.14	106,919.34	78,932.44
Miscellaneous gener - Board Meeting Expenses 9302-04112	38,040.66	31,727.03	40,744.53	36,102.35	39,012.19	48,806.02	61,700.68	58,516.06	43,198.32
Miscellaneous gener - Directors Retirement Exps 9302-04113	63,791.84	53,204.27	68,326.06	60,541.41	65,421.03	81,844.68	103,468.22	98,126.13	72,440.91
Miscellaneous gener - Newswire/Blast Fax/Mail List 9302-04120	1,422.77	1,186.63	1,523.90	1,350.28	1,459.11	1,825.41	2,307.69	2,188.54	1,615.67
A&G-Office supplies - Newswire/Blast Fax/Mail List 9210-04120	243.98	203.49	261.33	231.55	250.21	313.03	395.73	375.30	277.06
Miscellaneous gener - Inv Relations/Bnk/ Inst 9302-04121	3,334.72	2,781.25	3,571.74	3,164.80	3,419.88	4,278.43	5,408.80	5,129.54	3,786.85
Miscellaneous gener - Annual Report Design, Printing & Dist. 9302-04122	29,396.25	24,517.33	31,485.68	27,898.40	30,147.00	37,715.27	47,679.72	45,218.01	33,381.87
Miscellaneous gener - Fin Notice & Ctrly Rpt 9302-04124	534.92	446.13	572.94	507.66	548.58	686.29	867.61	822.82	607.44
Miscellaneous gener - Proxy Solicitation Exp 9302-04125	23,418.36	19,531.60	25,082.89	22,225.10	24,016.44	30,045.66	37,983.78	36,022.67	26,593.48
Miscellaneous gener - Transfer Agent Administration 9302-04126	8,931.82	7,449.40	9,566.67	8,476.71	9,159.93	11,459.48	14,487.10	13,739.13	10,142.82
Miscellaneous gener - Tr & Reg of Bonds/Debt Fee 9302-04127	29,455.78	24,566.99	31,549.55	27,954.90	30,208.06	37,791.66	47,776.29	45,309.59	33,449.48
Miscellaneous gener - NYSE Fees & Exps 9302-04129	7,607.07	6,344.52	8,147.77	7,219.46	7,801.35	9,759.84	12,338.41	11,701.38	8,638.46
Customer accounts-C - Bank Service Charge 9030-04130	91,277.60	76,128.20	97,765.46	86,626.68	93,608.75	117,108.81	148,049.20	140,405.38	103,653.27
Miscellaneous gener - Reimbursement of Fraud Payments 9302-04135	163.31	136.21	174.92	154.99	167.48	209.53	264.89	251.21	185.45
Miscellaneous gener - Analyst Activities 9302-04140	5,466.06	4,560.52	5,856.72	5,189.44	5,607.71	7,015.50	8,869.01	8,411.10	6,209.44
A&G-Office supplies - Analyst Activities 9210-04140	955.04	796.53	1,022.92	906.38	979.43	1,225.31	1,549.04	1,469.07	1,084.53
Miscellaneous gener - Web Site 9302-04141	5,156.28	4,300.49	5,522.78	4,893.55	5,287.96	6,615.48	8,363.31	7,931.51	5,855.38
A&G-Office supplies - Web Site 9210-04141	2,396.39	1,998.66	2,566.72	2,274.28	2,457.59	3,074.56	3,886.86	3,686.18	2,721.30
Miscellaneous gener - NAIC 9302-04143	255.95	213.47	274.14	242.91	262.48	328.38	415.14	393.71	290.65
A&G-Office supplies - NAIC 9210-04143	1.83	1.52	1.96	1.73	1.87	2.34	2.96	2.81	2.08
Miscellaneous gener - Printing/Slides/Graphics 9302-04145	12,334.68	10,287.49	13,211.41	11,706.19	12,649.70	15,825.35	20,006.44	18,973.50	14,007.05
Miscellaneous gener - Public Relations 9302-04146	11,169.90	9,316.03	11,963.84	10,600.75	11,455.17	14,330.94	18,117.20	17,181.81	12,684.35
A&G-Office supplies - Public Relations 9210-04146	2,007.49	1,874.31	2,150.18	1,905.20	2,058.76	2,575.61	3,256.09	3,087.98	2,279.68
A&G-Outside service - Public Relations 9230-04146	30.31	25.28	32.47	28.77	31.09	38.89	49.16	46.63	34.42
<b>Directors &amp; Shareholders &amp; PR</b>	<b>406,903.33</b>	<b>339,369.33</b>	<b>435,825.33</b>	<b>386,170.11</b>	<b>417,295.26</b>	<b>522,055.39</b>	<b>659,983.49</b>	<b>625,908.39</b>	<b>462,072.39</b>
A&G-Office supplies - Monthly Lines and service 9210-05310	42,097.26	41,203.22	35,214.59	45,661.40	51,993.15	75,413.25	79,288.21	73,784.15	68,621.01
A&G-Office supplies - Long Distance 9210-05312	44,397.43	43,454.54	37,138.89	48,156.31	54,834.02	79,533.78	83,620.47	77,815.67	72,370.42
A&G-Office supplies - Toll Free Long Distance 9210-05314	163,153.18	159,688.21	136,478.52	176,966.44	201,505.92	292,273.43	307,231.34	285,959.66	265,945.26
A&G-Office supplies - Telecom Maintenance & Repair 9210-05316	10,598.11	10,373.03	8,865.37	11,495.39	13,089.42	18,985.50	19,961.04	18,575.37	17,275.54
A&G-Administrative - WAN/LAN/Internet Service 9200-05331	2.56	2.50	2.14	2.77	3.16	4.58	4.82	4.48	4.17
A&G-Office supplies - WAN/LAN/Internet Service 9210-05331	25,749.96	25,203.09	21,539.98	27,930.06	31,803.05	46,128.61	48,498.84	45,132.12	41,973.94
A&G-Office supplies - Cellular, radio, pager charges 9210-05364	13,660.54	13,370.43	11,427.12	14,817.10	16,871.75	24,471.57	25,728.99	23,942.93	22,267.49
A&G-Administrative - Cellular, radio, pager charges 9200-05364	2.41	2.36	2.01	2.61	2.97	4.31	4.53	4.22	3.92
A&G-Office supplies - Video Conference 9210-05380	8,796.35	8,609.54	7,358.19	9,541.09	10,864.12	15,757.82	16,567.51	15,417.42	14,338.57
A&G-Office supplies - Audio Conference 9210-05390	1,888.86	1,848.75	1,580.04	2,048.78	2,332.88	3,383.72	3,557.58	3,310.62	3,078.96

Telecom	July	August	September	October	November	December	January '08	February	March
Telecom	310,346.66	303,755.66	259,606.66	336,621.95	383,300.45	555,956.58	584,523.33	543,946.65	505,883.28
A&G-Administrative - Meals & Entertainment 9200-05411	2,362.54	2,557.57	2,494.91	2,628.55	2,424.14	2,413.57	2,384.04	2,479.06	2,575.72
A&G-Office supplies - Meals & Entertainment 9210-05411	27,704.45	29,991.39	29,256.68	30,823.72	28,426.69	28,302.76	27,956.51	29,070.75	30,204.29
A&G-Outside service - Meals & Entertainment 9230-05411	2,363.67	2,558.79	2,496.11	2,629.80	2,425.29	2,414.72	2,386.18	2,480.24	2,576.95
A&G-Employee pensio - Meals & Entertainment 9280-05411	56.60	61.28	59.78	62.98	58.08	57.83	57.12	59.40	61.71
Miscellaneous gener - Meals & Entertainment 9200-05411	2,097.73	2,270.90	2,215.27	2,333.92	2,152.42	2,143.04	2,116.82	2,201.19	2,287.02
Distribution-Operat - Meals & Entertainment 8700-05411	68.06	73.67	71.87	75.72	69.83	69.53	68.68	71.41	74.20
Distribution-Other - Meals & Entertainment 8800-05411	3.69	3.99	3.90	4.11	3.79	3.77	3.72	3.87	4.02
Customer accounts-C - Meals & Entertainment 9030-05411	7.95	8.60	8.39	8.84	8.15	8.12	8.02	8.34	8.66
A&G-Office supplies - Spousal & Dependent Travel 9210-05412	581.49	629.49	614.07	646.96	596.65	594.05	586.78	610.16	633.96
Distribution-Operat - Transportation 8700-05413	98.84	107.00	104.38	109.97	101.42	100.98	99.74	103.72	107.76
Distribution-Other - Transportation 8800-05413	74.24	80.37	78.40	82.60	76.17	75.84	74.91	77.90	80.94
A&G-Administrative - Transportation 9200-05413	4,178.33	4,523.24	4,412.44	4,648.77	4,287.26	4,268.57	4,216.35	4,384.39	4,555.35
A&G-Office supplies - Transportation 9210-05413	38,307.41	41,469.60	40,453.71	42,620.49	39,306.06	39,134.70	38,655.95	40,196.61	41,763.98
A&G-Outside service - Transportation 9230-05413	2,324.99	2,516.91	2,455.26	2,586.76	2,385.60	2,375.20	2,346.14	2,439.65	2,534.78
A&G-Employee pensio - Transportation 9260-05413	216.67	234.55	228.81	241.06	222.32	221.35	218.64	227.35	236.22
Miscellaneous gener - Transportation 9302-05413	4,269.32	4,621.74	4,508.52	4,750.00	4,380.61	4,361.52	4,308.16	4,479.86	4,654.55
Storage-Purificatio - Lodging 8210-05414	9.88	10.69	10.43	10.99	10.14	10.09	9.97	10.36	10.77
Customer accounts-C - Lodging 9030-05414	76.78	83.12	81.08	85.42	78.78	78.44	77.48	80.57	83.71
A&G-Administrative - Lodging 9200-05414	684.31	708.32	690.97	727.98	671.37	668.44	660.26	686.58	713.35
A&G-Office supplies - Lodging 9210-05414	20,083.52	21,741.37	21,208.77	22,344.75	20,607.08	20,517.25	20,266.25	21,073.98	21,895.70
A&G-Outside service - Lodging 9230-05414	446.20	483.03	471.20	496.44	457.83	455.84	450.26	468.21	486.46
A&G-Employee pensio - Lodging 9260-05414	93.88	101.63	99.14	104.45	96.33	95.91	94.73	98.51	102.35
Miscellaneous gener - Lodging 9302-05414	1,753.93	1,898.72	1,852.20	1,951.41	1,799.66	1,791.81	1,769.89	1,840.43	1,912.20
A&G-Maintenance of - Misc Employee Expense 9320-05419	31.39	33.98	33.15	34.92	32.20	32.06	31.67	32.93	34.22
Storage-Purificatio - Misc Employee Expense 8210-05419	977.11	1,057.77	1,031.86	1,087.12	1,002.58	998.21	986.00	1,025.30	1,065.28
Distribution-Operat - Misc Employee Expense 8700-05419	12,185.33	13,191.20	12,868.05	13,557.29	12,502.99	12,448.48	12,296.19	12,786.27	13,284.84
Sales-Supervision - Misc Employee Expense 9110-05419	65.66	71.08	69.34	73.06	67.37	67.08	66.26	68.90	71.59
A&G-Administrative - Misc Employee Expense 9200-05419	36.88	39.92	38.95	41.03	37.84	37.68	37.22	38.70	40.21
A&G-Office supplies - Misc Employee Expense 9210-05419	17,183.96	18,602.46	18,146.75	19,118.72	17,631.93	17,555.07	17,340.30	18,031.42	18,734.51
A&G-Outside service - Misc Employee Expense 9230-05419	275.97	298.75	291.43	307.04	283.17	281.93	278.48	289.58	300.87
A&G-Employee pensio - Misc Employee Expense 9260-05419	103.45	111.99	109.25	115.10	106.15	105.69	104.40	108.56	112.79
Miscellaneous gener - Misc Employee Expense 9302-05419	279.77	302.87	295.45	311.27	287.07	285.81	282.32	293.57	305.02
<b>Travel &amp; Entertainment</b>	<b>138,974.00</b>	<b>150,446.00</b>	<b>146,760.50</b>	<b>154,621.25</b>	<b>142,596.96</b>	<b>141,975.31</b>	<b>140,236.45</b>	<b>145,827.78</b>	<b>151,513.98</b>
A&G-Office supplies - Membership Fees 9210-05415	6,272.33	4,902.15	6,045.59	5,652.16	5,234.27	4,888.64	9,979.33	4,632.15	8,024.38
A&G-Administrative - Membership Fees 9200-05415	18.08	14.13	17.43	16.29	15.09	14.09	28.76	13.35	23.13
Sales-Supervision - Membership Fees 9110-05415	26.20	20.48	25.26	23.61	21.87	20.42	41.69	19.35	33.52
A&G-Maintenance of - Membership Fees 9320-05415	102.26	79.92	98.57	92.15	85.34	79.70	162.70	75.52	130.83
Miscellaneous gener - Membership Fees 9302-05415	1,101.62	860.97	1,061.80	992.70	919.30	858.60	1,752.69	813.55	1,409.34
A&G-Outside service - Membership Fees 9230-05415	570.12	445.57	549.51	513.75	475.76	444.35	907.06	421.03	729.37
A&G-Office supplies - Club Dues - Nondeductible 9210-05416	345.35	269.91	332.87	311.20	288.20	269.17	549.46	255.04	441.82
A&G-Office supplies - Club Dues - Deductible 9210-05417	147.00	114.89	141.69	132.47	122.67	114.57	233.88	108.56	188.07
A&G-Administrative - Club Dues - Deductible 9200-05417	0.99	0.77	0.95	0.89	0.83	0.77	1.58	0.73	1.27
A&G-Office supplies - Association Dues 9210-07510	2,978.85	2,328.12	2,871.17	2,684.32	2,485.85	2,321.71	4,739.37	2,199.89	3,810.93
Miscellaneous gener - Association Dues 9302-07510	7,448.07	5,821.04	7,178.83	6,711.65	6,215.43	5,605.00	11,849.94	5,500.43	9,528.54
Customer accounts-C - Donations 9030-07520	63.91	49.95	61.60	57.59	53.34	49.81	101.69	47.20	61.77
A&G-Office supplies - Donations 9210-07520	1,479.21	1,156.08	1,425.74	1,332.96	1,234.41	1,152.89	2,353.44	1,092.40	1,892.40
<b>Dues &amp; Donations</b>	<b>20,554.00</b>	<b>16,064.00</b>	<b>19,811.00</b>	<b>18,521.75</b>	<b>17,152.35</b>	<b>16,019.73</b>	<b>32,701.60</b>	<b>15,179.23</b>	<b>26,295.35</b>
Customer accounts-C - Employee Development 9030-05420	37,391.68	37,391.68	37,688.34	37,916.70	37,148.80	37,735.56	38,822.37	37,586.50	37,616.19
A&G-Office supplies - Employee Development 9210-05420	46.25	46.25	46.62	46.90	45.95	46.68	48.02	46.49	46.53
A&G-Outside service - Employee Development 9230-05420	58.47	58.47	58.93	59.29	58.09	59.01	60.71	58.78	58.82
Miscellaneous gener - Employee Development 9302-05420	13,410.38	13,516.78	13,598.68	13,323.28	13,323.28	13,533.71	13,923.49	13,480.25	13,490.90
A&G-Office supplies - Training 9210-05421	25.66	25.66	26.02	26.02	25.49	25.89	26.64	25.79	25.81
A&G-Injuries & dama - Training 9250-05421	26.36	26.36	26.56	26.73	26.18	26.60	27.36	26.49	26.51
A&G-Employee pensio - Training 9260-05421	75.21	75.21	75.81	76.27	74.72	75.90	78.09	75.60	75.66
Miscellaneous gener - Training 9302-05421	1,920.30	1,920.30	1,935.54	1,947.26	1,907.83	1,937.96	1,993.78	1,930.31	1,931.83
A&G-Office supplies - Books & Manuals 9210-05424	1,920.30	1,920.30	1,935.54	1,947.26	1,907.83	1,937.96	1,993.78	1,930.31	1,931.83

	July	August	September	October	November	December	January '08	February	March
Miscellaneous gener - Books & Manuals 9302-05424	139.53	139.53	140.64	141.49	138.63	140.81	144.87	140.26	140.37
A&G-Office supplies - Safety Training 9210-05426	35.49	35.49	35.77	35.99	35.26	35.82	36.85	35.68	35.70
A&G-Administrative - Technical (Job Skills) Training 9200-05427	71.92	71.92	72.49	72.93	71.46	72.59	74.68	72.30	72.36
A&G-Office supplies - Technical (Job Skills) Training 9210-05427	2,254.90	2,254.90	2,272.79	2,286.56	2,240.26	2,275.64	2,341.18	2,266.65	2,268.44
Miscellaneous gener - Technical (Job Skills) Training 9302-05427	99.59	99.59	100.38	100.98	98.94	100.50	103.40	100.11	100.18
A&G-Maintenance of - Technical (Job Skills) Training 9320-05427	32.55	32.55	32.81	33.01	32.34	32.85	33.80	32.72	32.75
A&G-Office supplies - Computer Skills & Systems Training 9210-05428	8,178.12	8,178.12	8,243.01	8,292.95	8,125.00	8,253.33	8,491.04	8,220.73	8,227.23
A&G-Office supplies - Work Environment Training 9210-05429	697.45	697.45	702.98	707.24	692.92	703.86	724.13	701.08	701.64
<b>Training</b>	<b>64,535.33</b>	<b>64,535.33</b>	<b>65,047.33</b>	<b>65,441.47</b>	<b>64,116.14</b>	<b>65,128.84</b>	<b>67,004.59</b>	<b>64,871.57</b>	<b>64,922.82</b>
A&G-Administrative - Contract Labor 9200-06111	33.97	34.71	33.93	42.47	36.13	35.93	35.77	36.00	37.48
A&G-Office supplies - Contract Labor 9210-06111	157,695.81	161,135.82	157,470.90	197,127.82	167,687.38	166,786.21	166,014.15	167,082.55	173,958.54
A&G-Outside service - Contract Labor 9230-06111	444,007.66	453,693.34	443,374.41	555,032.26	472,139.88	469,602.56	467,428.75	470,465.09	489,796.96
A&G-Employee pensio - Contract Labor 9260-06111	126.29	129.05	126.11	157.87	134.29	133.57	132.95	133.82	139.32
Miscellaneous gener - Contract Labor 9302-06111	14,238.38	14,548.98	14,218.07	17,798.70	15,140.52	15,059.15	14,989.44	15,086.81	15,706.74
A&G-Rents - Contract Labor 9310-06111	858.70	877.44	857.48	1,073.42	913.11	908.20	904.00	909.87	947.26
A&G-Maintenance of - Contract Labor 9320-06111	93.51	95.55	93.37	116.89	99.43	98.90	98.44	99.08	103.15
A&G-Outside service - Legal 9230-06121	3,828.27	3,911.78	3,822.81	4,785.53	4,070.82	4,048.95	4,030.20	4,056.38	4,223.06
Miscellaneous gener - Legal 9302-06121	3,847.41	3,931.34	3,841.93	4,809.46	4,091.19	4,069.20	4,050.36	4,076.67	4,244.19
Billed from Gas Supply	356,940.56	356,940.56	356,940.56	366,864.07	365,864.07	365,864.07	365,864.07	365,864.07	365,864.07
<b>Outside Services</b>	<b>981,670.56</b>	<b>995,298.56</b>	<b>980,779.56</b>	<b>1,146,808.50</b>	<b>1,030,176.82</b>	<b>1,026,606.75</b>	<b>1,023,548.15</b>	<b>1,027,820.35</b>	<b>1,055,020.77</b>
A&G-Rents - Gas Transport Cost - Local Distribution 9310-04810	(9.75)	(9.76)	(9.75)	(10.00)	(10.00)	(10.00)	(10.00)	(9.99)	(10.00)
A&G-Administrative - A&G Overhead Cleaning 9200-04863	(2,743,385.21)	(2,744,135.36)	(2,741,880.04)	(2,812,611.92)	(2,812,611.92)	(2,811,842.02)	(2,813,381.82)	(2,811,114.17)	(2,812,653.97)
A&G-Office supplies - PACER Services 9210-06118	9.00	9.01	9.00	9.23	9.23	9.23	9.23	9.23	9.23
Distribution-Operat - Misc General Expense 8700-07590	-	-	-	-	-	-	-	-	-
A&G-Maintenance of - Misc General Expense 9320-07590	2.87	2.87	2.87	2.94	2.94	2.94	2.94	2.94	2.94
Miscellaneous gener - Misc General Expense 9302-07590	(90,141.43)	(90,166.07)	(90,091.97)	(92,416.06)	(92,416.06)	(92,390.76)	(92,441.36)	(92,366.85)	(92,417.44)
A&G-Employee pensio - Misc General Expense 9260-07590	338.15	338.25	337.97	346.69	346.69	346.59	346.78	346.50	346.69
A&G-Injuries & dama - Misc General Expense 9250-07590	478.08	478.21	477.82	490.14	490.14	490.01	490.28	489.88	490.15
A&G-Outside service - Misc General Expense 9230-07590	3,146.06	3,146.92	3,144.33	3,225.44	3,225.44	3,224.56	3,226.33	3,223.73	3,225.49
A&G-Office supplies - Misc General Expense 9210-07590	20,878.13	20,883.83	20,866.67	21,404.97	21,404.97	21,399.11	21,410.82	21,393.57	21,405.29
A&G-Administrative - Misc General Expense 9200-07590	2.43	2.43	2.43	2.49	2.49	2.49	2.49	2.49	2.49
<b>Miscellaneous</b>	<b>(2,808,681.67)</b>	<b>(2,809,449.67)</b>	<b>(2,807,140.67)</b>	<b>(2,879,556.08)</b>	<b>(2,879,556.08)</b>	<b>(2,878,767.85)</b>	<b>(2,880,344.30)</b>	<b>(2,878,022.68)</b>	<b>(2,879,599.13)</b>
Total O&M Expenses Before Allocations	7,265,544	7,398,875	6,750,410	8,872,107	8,204,304	8,413,624	9,335,709	8,412,315	7,669,634
Allocated to Kentucky	394,664	401,849	367,340	477,646	444,334	455,393	503,899	456,397	416,503

	April	May	June	Test Period
Distribution-Operat - Non-project Labor 8700-01000	49,588.30	54,173.12	49,588.30	608,342.46
Customer installati - Non-project Labor 8790-01000	25,720.39	28,088.44	25,720.39	315,534.22
Mains and Services - Non-project Labor 8740-01000	9.26	10.12	9.26	113.60
Distribution-Other - Non-project Labor 8800-01000	935.30	1,021.77	935.30	11,474.10
Customer accounts-C - Non-project Labor 9030-01000	1,438,082.43	1,571,044.11	1,438,082.43	17,642,196.33
Customer accounts-M - Non-project Labor 9020-01000	122.11	133.40	122.11	1,488.03
A&G-Office supplies - Non-project Labor 9210-01000	18,918.43	20,667.58	18,918.43	232,088.63
A&G-Administrative - Non-project Labor 9200-01000	2,217,654.86	2,422,693.94	2,217,654.86	27,205,883.01
Customer accounts-O - Non-project Labor 9010-01000	7,289.04	7,962.97	7,289.04	89,420.95
A&G-Administrative - Capital Labor 9200-01001	92,320.79	100,856.55	92,320.79	1,132,578.70
A&G-Administrative - Capital Labor Contra 9200-01002	(88,819.27)	(97,031.29)	(88,819.27)	(1,089,622.55)
Distribution-Operat - Deferred Project Labor Contra 8700-01004	(2,759.63)	(3,014.78)	(2,759.63)	(33,854.76)
A&G-Office supplies - O&M Project Labor and Contra 9210-01006	(6,087.19)	(6,650.00)	(6,087.19)	(74,676.81)
Distribution-Operat - Expense Labor Accrual 8700-01008	1,871.18	2,044.18	1,871.18	22,955.34
Distribution-Other - Expense Labor Accrual 8800-01008	2,571.88	2,809.67	2,571.88	31,551.49
Customer installati - Expense Labor Accrual 8790-01008	40.91	44.69	40.91	501.88
Mains and Services - Expense Labor Accrual 8740-01008	1,175.82	1,284.53	1,175.82	14,424.79
Customer accounts-M - Expense Labor Accrual 9020-01008	-	-	-	-
Customer accounts-O - Expense Labor Accrual 9010-01008	321.79	351.55	321.79	3,947.72
A&G-Office supplies - Expense Labor Accrual 9210-01008	4,180.18	4,566.66	4,180.18	51,281.81
A&G-Administrative - Expense Labor Accrual 9200-01008	97,831.00	106,876.22	97,831.00	1,200,177.19
Customer accounts-C - Expense Labor Accrual 9030-01008	66,877.52	73,060.85	66,877.52	820,444.13
A&G-Administrative - PTO Accrual 9200-01010	13,938.05	15,226.72	13,938.05	170,990.02
A&G-Administrative - Capital Labor Transfer In 9200-01011	88,819.27	97,031.29	88,819.27	1,089,622.55
Distribution-Operat - Capital Labor Transfer In 8700-01011	2,759.63	3,014.78	2,759.63	33,854.76
A&G-Administrative - Capital Labor Transfer Out 9200-01012	(92,135.33)	(100,653.94)	(92,135.33)	(1,130,303.49)
Mains and Services - Expense Labor Transfer In 8740-01013	377.19	412.07	377.19	4,627.37
A&G-Office supplies - Expense Labor Transfer In 9210-01013	2,251.74	2,459.93	2,251.74	27,624.07
A&G-Office supplies - Expense Labor Transfer Out 9210-01014	(1,871.18)	(2,044.18)	(1,871.18)	(22,955.34)
Distribution-Operat - Deferred Project Labor Transfer In 8700-01015	6,087.19	6,650.00	6,087.19	74,676.81
<b>Labor</b>	<b>3,948,071.67</b>	<b>4,313,100.97</b>	<b>3,948,071.67</b>	<b>48,434,397.02</b>
A&G-Employee pensio - Benefits Load 9260-01200	1,060,801.71	1,158,884.07	1,060,966.40	13,015,036.14
A&G-Injuries & dama - Benefits Variance 9250-01201	1,422.84	1,554.40	1,423.06	17,456.95
A&G-Employee pensio - Benefits Variance 9260-01201	105,317.12	115,054.81	105,333.47	1,292,141.75
A&G-Injuries & dama - Worker's Comp Insurance 9250-01221	7,250.08	7,920.43	7,251.21	88,951.68
A&G-Employee pensio - Retirement Plan-Other Exp 9260-01244	894.87	977.61	895.01	10,979.21
A&G-Injuries & dama - Benefit Load Projects 9250-01290	32.49	35.50	32.50	398.67
A&G-Employee pensio - Benefit Load Projects 9260-01290	768.40	839.44	768.52	9,427.51
<b>Benefits</b>	<b>1,176,487.53</b>	<b>1,285,266.26</b>	<b>1,176,670.17</b>	<b>14,434,391.99</b>
Distribution-Maint - Non-Inventory Supplies 8870-02005	328.53	255.24	268.40	3,356.99
A&G-Office supplies - Gas Bill Stationary 9210-04052	98.80	76.76	80.71	1,009.52
Customer accounts-C - Office Supplies 9030-05010	3.05	2.37	2.49	31.16
Sales-Supervision - Office Supplies 9110-05010	15.81	12.28	12.91	161.51
A&G-Administrative - Office Supplies 9200-05010	89.08	69.20	72.77	910.19
A&G-Office supplies - Office Supplies 9210-05010	57,931.34	45,007.20	47,327.95	591,954.12
Miscellaneous gener - Office Supplies 9302-05010	1,544.73	1,200.11	1,261.99	15,784.39
A&G-Rents - Office Supplies 9310-05010	14.11	10.97	11.53	144.23
A&G-Maintenance of - Office Supplies 9320-05010	5.38	4.18	4.40	55.00
Distribution-Operat - Office Supplies 8700-05010	17.58	13.66	14.36	179.66
Mains and Services - Office Supplies 8740-05010	252.21	195.94	206.04	2,577.09
Distribution-Other - Office Supplies 8800-05010	6.44	5.01	5.26	65.85
<b>Materials &amp; Supplies</b>	<b>60,307.06</b>	<b>46,852.91</b>	<b>49,268.84</b>	<b>616,229.72</b>
Mains and Services - Vehicle Lease Payments 8740-03002	(0.39)	(0.39)	13.05	46.89
A&G-Office supplies - Vehicle Expense 9210-03004	3.85	3.85	(128.42)	(461.39)
Mains and Services - Vehicle Expense 8740-03004	654.32	654.32	(21,801.99)	(78,332.80)

	April	May	June	Test Period
A&G-Maintenance of - Heavy Equipment 9320-04302	(0.01)	(0.01)	(0.01)	1.38
Miscellaneous gener - Heavy Equipment 9302-04302	(16.09)	(16.09)	(16.09)	1,926.27
A&G-Office supplies - Heavy Equipment 9210-04302	(1.06)	(1.06)	(1.06)	126.52
<b>Vehicles &amp; Equip</b>	<b>640.63</b>	<b>640.63</b>	<b>(21,345.63)</b>	<b>(76,693.13)</b>
A&G-Office supplies - Gas Bill Forms 9210-04053	28.55	24.93	26.69	306.64
Distribution-Operat - Postage/Delivery Services 8700-05111	7.58	6.62	7.09	81.46
A&G-Office supplies - Postage/Delivery Services 9210-05111	29,666.13	25,904.41	27,729.12	318,604.25
A&G-Maintenance of - Postage/Delivery Services 9320-05111	10.28	8.98	9.61	110.40
Miscellaneous gener - Postage/Delivery Services 9302-05111	27.48	23.99	25.68	295.08
A&G-Employee pensio - Postage/Delivery Services 9260-05111	87.45	76.36	81.74	939.15
A&G-Outside service - Postage/Delivery Services 9230-05111	1,314.36	1,147.70	1,228.54	14,115.81
Customer accounts-M - Postage/Delivery Services 9050-05111	42.07	36.74	39.32	451.82
Customer accounts-C - Postage/Delivery Services 9030-05111	8.61	7.52	8.05	92.45
<b>Print &amp; Postages</b>	<b>31,192.51</b>	<b>27,237.24</b>	<b>29,155.84</b>	<b>334,997.07</b>
A&G-Property insura - Blueflame Property Insurance 9240-04069	21,218.12	21,238.91	21,238.91	254,880.62
A&G-Injures & dama - Insurance 9250-04070	46,563.89	46,609.51	46,609.51	559,344.25
A&G-Property insura - Insurance 9240-04070	12,463.45	12,475.66	12,475.66	149,715.99
A&G-Office supplies - Insurance 9210-04070	69.95	70.02	70.02	840.31
A&G-Injures & dama - Insurance - D&O 9250-07119	442,958.01	443,391.98	443,391.98	5,320,990.04
A&G-Office supplies - Insurance - D&O 9210-07119	117.86	117.97	117.97	1,415.73
A&G-Injures & dama - Environmental & Safety 9250-07120	497.65	498.14	498.14	5,978.02
A&G-Office supplies - Environmental & Safety 9210-07120	41.72	41.76	41.76	501.14
<b>Insurance</b>	<b>523,930.66</b>	<b>524,443.96</b>	<b>524,443.96</b>	<b>6,293,666.10</b>
A&G-Office supplies - Safety, Newspaper 9210-04001	1,514.37	1,514.37	1,514.37	18,061.78
Miscellaneous gener - Safety, Newspaper 9302-04001	30,063.40	30,063.40	30,063.40	358,563.02
Mains and Services - Safety, Newspaper 8740-04001	17.19	17.19	17.19	205.01
A&G-Office supplies - Promo Other/Misc 9210-04021	623.27	623.27	623.27	7,433.73
Miscellaneous gener - Promo Other, Misc 9302-04021	16.16	16.16	16.16	192.68
A&G-Office supplies - Community Rel&Trade Shows 9210-04040	150.56	150.56	150.56	1,795.71
A&G-Office supplies - Advertising 9210-04044	1,107.11	1,107.11	1,107.11	13,204.43
Miscellaneous gener - Advertising 9302-04044	5,899.18	5,899.18	5,899.18	685,358.84
A&G-Office supplies - Cust Relations & Assist 9210-04046	1,100.96	1,100.96	1,100.96	13,131.08
Miscellaneous gener - Cust Relations & Assist 9302-04046	21,208.70	21,208.70	21,208.70	252,953.93
Customer service-Mi - Cust Relations & Assist 9100-04046	683.66	683.66	683.66	8,153.96
<b>Marketing</b>	<b>62,384.58</b>	<b>62,384.58</b>	<b>62,384.58</b>	<b>1,359,054.18</b>
A&G-Employee pensio - Service Awards 9260-07421	4,349.66	4,993.04	4,991.36	71,929.26
A&G-Administrative - Service Awards 9200-07421	17.64	20.25	20.24	291.67
A&G-Office supplies - Service Awards 9210-07421	772.23	866.45	866.16	12,770.16
A&G-Employee pensio - Uniforms 9260-07443	27.61	31.70	31.68	456.60
A&G-Employee pensio - Education Assistance Program 9260-07447	13,950.42	16,013.89	16,008.51	230,694.48
A&G-Employee pensio - Restricted Stock 9260-07451	290,263.86	333,198.21	333,086.27	4,800,019.86
A&G-Employee pensio - Variable Pay & Mgmt Incentive Plans 9260-07452	273,020.07	313,403.80	313,298.51	4,514,863.61
A&G-Employee pensio - Exec Compensation-Other 9260-07453	784.66	900.72	900.42	12,975.74
A&G-Employee pensio - Stock options 9260-07455	135.13	155.12	155.06	2,234.58
A&G-Employee pensio - Rabbi Trust Gain/Loss 9260-07486	(73,888.38)	(84,817.57)	(84,789.07)	(1,221,873.36)
A&G-Employee pensio - COLI CSV & Premiums 9260-07487	(42,827.78)	(49,162.65)	(49,146.13)	(708,232.20)
A&G-Employee pensio - COLI Loan Interest 9260-07488	82,564.01	94,776.46	94,744.62	1,365,340.16
A&G-Employee pensio - NQ Retirement Cost 9260-07489	644,031.51	739,293.37	739,044.98	10,650,185.77
A&G-Administrative - Misc Employee Welfare Exp 9200-07499	33.37	38.31	38.30	551.91
A&G-Office supplies - Misc Employee Welfare Exp 9210-07499	16,053.78	18,428.37	18,422.18	265,477.25
A&G-Outside service - Misc Employee Welfare Exp 9230-07499	194.08	222.79	222.71	3,209.46
A&G-Employee pensio - Misc Employee Welfare Exp 9260-07499	5,022.62	5,765.54	5,763.60	83,057.74
Miscellaneous gener - Misc Employee Welfare Exp 9302-07499	30.02	34.46	34.45	496.49
Distribution-Operat - Misc Employee Welfare Exp 8700-07499	2.45	2.81	2.81	40.49
Customer accounts-C - Misc Employee Welfare Exp 9030-07499	35.59	40.86	40.84	588.58
<b>Employee Welfare</b>	<b>1,214,572.55</b>	<b>1,394,225.93</b>	<b>1,393,757.51</b>	<b>20,085,078.24</b>
A&G-Office supplies - Offsite Storage 9210-04065	23,598.50	36,295.74	27,497.41	332,816.79

	April	May	June	Test Period
Distribution-Operat - Software Maintenance 8700-04201	742.23	1,141.59	864.86	10,467.89
A&G-Office supplies - Software Maintenance 9210-04201	102,067.75	156,985.59	118,931.23	1,439,492.52
A&G-Outside service - Software Maintenance 9230-04201	16,360.29	25,162.99	19,063.31	230,734.13
A&G-Maintenance of - Software Maintenance 9200-04201	297,151.09	457,034.07	346,245.95	4,190,812.16
Distribution-Operat - IT Equipment Maintenance 8700-04212	970.92	1,493.33	1,131.33	13,693.18
A&G-Administrative - IT Equipment Maintenance 9200-04212	42.42	65.24	49.42	598.19
A&G-Office supplies - IT Equipment Maintenance 9210-04212	14,087.05	21,666.62	16,414.49	198,673.90
A&G-Maintenance of - IT Equipment Maintenance 9320-04212	47,818.63	73,547.58	55,719.15	674,400.67
<b>Information Technologies</b>	<b>502,838.86</b>	<b>773,392.74</b>	<b>585,917.16</b>	<b>7,091,689.44</b>
A&G-Rents - Building Lease/Rents 9310-04581	354,668.42	357,926.43	354,612.97	4,244,918.28
Distribution-Rents - Building Lease/Rents 8810-04581	2,045.19	2,063.98	2,044.87	24,478.27
A&G-Maintenance of - Building Maintenance 9320-04582	6,700.92	6,762.47	6,699.87	80,201.24
A&G-Rents - Building Maintenance 9310-04582	29.17	29.44	29.17	349.13
A&G-Office supplies - Utilities 9210-04590	12,031.63	12,142.15	12,029.75	144,002.93
Customer service-Mi - Utilities 9100-04590	10,234.27	10,328.29	10,232.67	122,490.91
Customer accounts-C - Utilities 9030-04590	29.61	29.88	29.60	354.38
Distribution-Rents - Building Maintenance 8810-04592	4,146.66	4,184.75	4,146.01	49,630.13
A&G-Office supplies - Utilities 9210-04590	9,714.72	9,803.96	9,713.20	116,272.48
Customer accounts-C - Utilities 9030-04590	776.26	783.39	776.14	9,290.87
Distribution-Rents - Building Maintenance 8810-04590	18,237.96	18,405.50	18,235.11	218,284.64
<b>Rent, Maint., &amp; Utilities</b>	<b>933.44</b>	<b>942.01</b>	<b>933.29</b>	<b>11,172.06</b>
Miscellaneous gener - Director's Fees 9302-04111	<b>419,548.26</b>	<b>423,402.26</b>	<b>419,482.66</b>	<b>5,021,445.32</b>
Miscellaneous gener - Board Meeting Expenses 9302-04112	67,433.02	61,522.04	64,823.95	920,729.06
Miscellaneous gener - Directors Retirement Exps 9302-04113	36,904.89	33,669.92	35,477.00	503,898.65
Miscellaneous gener - NewsWire/Blast Fax/Mail List 9302-04120	61,887.22	56,462.38	59,492.73	845,006.88
A&G-Office supplies - NewsWire/Blast Fax/Mail List 9210-04120	1,380.29	1,259.30	1,326.89	18,846.48
Miscellaneous gener - Inv Relations/Brkg Inst 9302-04121	236.70	215.95	227.54	3,231.88
Miscellaneous gener - Annual Report Design, Printing & Dist. 9302-04122	3,235.15	2,951.57	3,109.98	44,172.70
Miscellaneous gener - Fir Notice & Qtrly Rpt 9302-04124	28,518.57	26,018.72	27,415.15	389,391.97
Miscellaneous gener - Proxy Solicitation Exp 9302-04125	518.94	473.46	498.87	7,085.65
Miscellaneous gener - Transfer Agent Administration 9302-04126	22,719.16	20,727.67	21,840.13	310,206.93
Miscellaneous gener - Tr & Reg of Bonds/Debt Fee 9302-04127	8,665.14	7,905.58	8,329.88	118,313.65
Miscellaneous gener - NYSE Fees & Exps 9302-04129	28,576.33	26,071.41	27,470.68	390,180.61
Customer accounts-C - Bank Service Charge 9030-04130	7,379.95	6,733.05	7,094.41	100,765.68
Miscellaneous gener - Reimbursement of Fraud Payments 9302-04135	88,552.35	80,790.12	85,126.15	1,209,091.97
Miscellaneous gener - Analyst Activities 9302-04140	158.44	144.55	152.31	2,163.28
A&G-Office supplies - Analyst Activities 9210-04140	5,304.80	4,839.80	5,099.55	72,431.66
Miscellaneous gener - Web Site 9302-04141	926.53	845.31	890.68	12,650.78
A&G-Office supplies - Web Site 9210-04141	5,002.33	4,563.84	4,808.78	68,301.69
Miscellaneous gener - NAIC 9302-04143	2,324.84	2,121.05	2,234.89	31,743.31
A&G-Office supplies - NAIC 9210-04143	248.31	226.54	238.70	3,390.37
Miscellaneous gener - Printing/Slides/Graphics 9302-04145	1.77	1.62	1.70	24.21
Miscellaneous gener - Public Relations 9302-04146	11,966.41	10,917.47	11,503.41	163,389.11
A&G-Office supplies - Public Relations 9210-04146	10,836.40	9,886.52	10,417.13	147,960.04
A&G-Outside service - Public Relations 9230-04146	1,947.56	1,776.84	1,872.20	26,591.90
<b>Directors &amp; Shareholders &amp; PR</b>	<b>394,754.49</b>	<b>360,151.51</b>	<b>379,480.96</b>	<b>5,389,969.98</b>
A&G-Office supplies - Monthly Lines and service 9210-05310	53,662.70	47,770.03	42,615.93	657,324.90
A&G-Office supplies - Long Distance 9210-05312	56,594.80	50,380.16	44,944.44	693,240.75
A&G-Office supplies - Toll Free Long Distance 9210-05314	207,976.49	185,198.72	165,163.34	2,547,544.52
A&G-Office supplies - Telecomm Maintenance & Repair 9210-05316	13,509.74	12,026.24	10,728.68	165,483.43
A&G-Administrative - WAN/LAN/Internet Service 9200-05331	3.26	2.90	2.59	39.92
A&G-Office supplies - WAN/LAN/Internet Service 9210-05331	32,824.28	29,219.87	26,067.22	402,071.02
A&G-Office supplies - Cellular, radio, pager charges 9210-05364	17,413.52	15,501.36	13,828.85	213,301.65
A&G-Administrative - Cellular, radio, pager charges 9200-05364	3.07	2.73	2.44	37.59
A&G-Office supplies - Video Conference 9210-05380	11,212.98	9,981.69	8,904.73	137,350.01
A&G-Office supplies - Audio Conference 9210-05390	2,407.79	2,143.39	1,912.13	29,493.52



	April	May	June	Test Period
<b>Telecom</b>	<b>395,608.65</b>	<b>352,167.10</b>	<b>314,170.35</b>	<b>4,845,887.32</b>
A&G-Administrative - Meals & Entertainment 9200-05411	2,469.09	2,796.46	2,759.33	30,344.98
A&G-Office supplies - Meals & Entertainment 9210-05411	28,953.87	32,792.78	32,357.35	355,841.23
A&G-Outside service - Meals & Entertainment 9230-05411	2,470.27	2,797.80	2,760.65	30,359.48
A&G-Employee pensio - Meals & Entertainment 9260-05411	59.16	67.00	66.11	727.04
Miscellaneous gener - Meals & Entertainment 9302-05411	2,192.34	2,483.01	2,450.04	26,943.68
Distribution-Operat - Meals & Entertainment 8700-05411	71.13	80.56	79.49	874.13
Distribution-Other - Meals & Entertainment 8800-05411	3.86	4.37	4.31	47.40
Customer accounts-C - Meals & Entertainment 9030-05411	8.30	9.41	9.28	102.06
A&G-Office supplies - Spousal & Dependent Travel 9210-05412	607.71	688.29	679.15	7,468.73
Distribution-Operat - Transportation 8700-05413	103.30	117.00	115.44	1,269.56
Distribution-Other - Transportation 8800-05413	77.59	87.87	86.71	953.53
A&G-Administrative - Transportation 9200-05413	4,366.77	4,945.74	4,880.07	53,667.28
A&G-Office supplies - Transportation 9210-05413	40,035.00	45,343.14	44,741.06	492,027.73
A&G-Outside service - Transportation 9230-05413	2,429.84	2,752.01	2,715.47	29,862.63
A&G-Employee pensio - Transportation 9260-05413	226.44	256.46	253.06	2,782.93
Miscellaneous gener - Transportation 9302-05413	4,461.85	5,053.44	4,986.34	54,835.91
Storage-Purificatio - Lodging 8210-05414	10.32	11.69	11.54	126.87
Customer accounts-C - Lodging 9030-05414	80.24	90.88	89.68	986.18
A&G-Administrative - Lodging 9200-05414	683.82	774.48	764.20	8,404.08
A&G-Office supplies - Lodging 9210-05414	20,989.25	23,772.16	23,456.50	257,956.57
A&G-Outside service - Lodging 9230-05414	466.32	528.15	521.14	5,731.09
A&G-Employee pensio - Lodging 9260-05414	98.11	111.12	109.65	1,205.80
Miscellaneous gener - Lodging 9302-05414	1,833.03	2,076.07	2,048.50	22,527.87
A&G-Maintenance of - Misc Employee Expense 9320-05419	32.80	37.15	36.66	403.13
Storage-Purificatio - Misc Employee Expense 8210-05419	1,021.18	1,156.57	1,141.21	12,550.18
Distribution-Operat - Misc Employee Expense 8700-05419	12,734.86	14,423.34	14,231.82	156,510.66
Sales-Supervision - Misc Employee Expense 9110-05419	68.62	77.72	76.69	843.38
A&G-Administrative - Misc Employee Expense 9200-05419	38.54	43.65	43.07	473.70
A&G-Office supplies - Misc Employee Expense 9210-05419	17,958.92	20,340.05	20,069.97	220,714.05
A&G-Outside service - Misc Employee Expense 9230-05419	288.42	326.66	322.32	3,544.64
A&G-Employee pensio - Misc Employee Expense 9260-05419	108.12	122.46	120.83	1,328.79
Miscellaneous gener - Misc Employee Expense 9320-05419	292.39	331.16	326.76	3,593.45
<b>Travel &amp; Entertainment</b>	<b>145,241.48</b>	<b>164,498.66</b>	<b>162,314.39</b>	<b>1,785,008.75</b>
A&G-Office supplies - Membership Fees 9210-05415	5,495.45	5,745.69	5,740.99	72,613.13
A&G-Administrative - Membership Fees 9200-05415	15.84	16.56	16.55	209.29
Sales-Supervision - Membership Fees 9110-05415	22.96	24.00	23.99	303.37
A&G-Maintenance of - Membership Fees 9320-05415	89.60	93.68	93.60	1,183.87
Miscellaneous gener - Membership Fees 9302-05415	965.18	1,009.13	1,008.30	12,753.18
A&G-Outside service - Club Dues - Non-deductible 9210-05416	499.50	522.25	521.82	6,600.08
A&G-Office supplies - Club Dues - Deductible 9210-05417	302.58	316.35	316.10	3,998.04
A&G-Administrative - Club Dues - Deductible 9200-05417	128.80	134.66	134.55	1,701.82
A&G-Office supplies - Association Dues 9210-07510	0.87	0.91	0.91	11.47
Miscellaneous gener - Association Dues 9302-07510	2,609.89	2,728.74	2,726.51	34,485.35
Customer accounts-C - Donations 9030-07520	6,525.56	6,822.70	6,817.13	86,224.33
A&G-Office supplies - Donations 9210-07520	56.00	58.55	58.50	739.92
<b>Dues &amp; Donations</b>	<b>18,008.23</b>	<b>18,828.23</b>	<b>18,812.85</b>	<b>237,948.30</b>
Customer accounts-C - Employee Development 9030-05420	74.39	71.84	96.67	891.34
A&G-Office supplies - Employee Development 9210-05420	38,925.70	37,588.87	50,585.42	466,397.81
A&G-Outside service - Employee Development 9230-05420	48.15	46.50	62.57	576.92
Miscellaneous gener - Employee Development 9302-05420	60.87	58.78	79.10	729.33
A&G-Office supplies - Training 9210-05421	13,960.55	13,481.10	18,142.27	167,271.78
A&G-Injuries & dama - Training 9250-05421	26.71	25.79	34.71	320.05
A&G-Employee pensio - Training 9260-05421	27.44	26.49	35.66	328.74
Miscellaneous gener - Training 9302-05421	78.29	75.61	101.75	938.11
A&G-Office supplies - Books & Manuals 9210-05424	1,999.08	1,930.43	2,597.88	23,952.51

	April	May	June	Test Period
Miscellaneous gener - Books & Manuals 9302-05424	145.26	140.27	188.77	1,740.42
A&G-Office supplies - Safety Training 9210-05426	36.95	35.68	48.02	442.70
A&G-Administrative - Technical (Job Skills) Training 9200-05427	74.87	72.30	97.30	897.13
A&G-Office supplies - Technical (Job Skills) Training 9210-05427	2,347.41	2,266.79	3,050.55	28,126.08
Miscellaneous gener - Technical (Job Skills) Training 9302-05427	103.67	100.11	134.73	1,242.17
A&G-Maintenance of - Technical (Job Skills) Training 9320-05427	33.89	32.72	44.04	406.01
A&G-Office supplies - Computer Skills & Systems Training 9210-05428	8,513.64	8,221.25	11,063.79	102,008.21
A&G-Office supplies - Work Environment Training 9210-05429	726.06	701.13	943.55	8,699.49
<b>Training</b>	<b>67,182.94</b>	<b>64,875.67</b>	<b>87,306.77</b>	<b>804,968.80</b>
A&G-Administrative - Contract Labor 9200-06111	38.47	34.80	35.50	435.15
A&G-Office supplies - Contract Labor 9210-06111	178,553.90	161,535.23	164,788.79	2,019,847.09
A&G-Outside service - Contract Labor 9230-06111	502,735.62	454,817.91	463,978.64	5,687,073.08
A&G-Employee pensio - Contract Labor 9260-06111	143.00	129.37	131.97	1,617.61
Miscellaneous gener - Contract Labor 9302-06111	16,121.66	14,585.04	14,878.80	182,372.30
A&G-Rentis - Contract Labor 9310-06111	972.28	879.61	897.33	10,998.72
A&G-Maintenance of - Contract Labor 9320-06111	105.87	95.78	97.71	1,197.68
A&G-Outside service - Legal 9230-06121	4,334.62	3,921.47	4,000.46	49,034.35
Miscellaneous gener - Legal 9302-06121	4,356.30	3,941.09	4,020.47	49,279.62
Billed from Gas Supply	365,864.07	365,864.07	365,864.07	4,363,598.34
<b>Outside Services</b>	<b>1,073,225.80</b>	<b>1,005,804.37</b>	<b>1,018,693.75</b>	<b>12,365,453.94</b>
A&G-Rentis - Gas Transport Cost - Local Distribution 9310-04810	(9.99)	(10.00)	(9.99)	(119.23)
A&G-Administrative - A&G Overhead Clearing 9200-04863	(2,811,199.94)	(2,812,739.74)	(2,811,199.94)	(33,538,756.08)
A&G-Office supplies - PACER Services 9210-06118	9.23	9.23	9.23	110.07
Distribution-Operat - Misc General Expense 8700-07590	-	-	-	-
A&G-Maintenance of - Misc General Expense 9320-07590	2.94	2.94	2.94	35.07
Miscellaneous gener - Misc General Expense 9302-07590	(92,369.66)	(92,420.26)	(92,369.66)	(1,102,007.57)
A&G-Employee pensio - Misc General Expense 9260-07590	346.51	346.70	346.51	4,134.05
A&G-Injuries & dama - Misc General Expense 9250-07590	489.90	490.17	489.90	5,844.69
A&G-Outside service - Misc General Expense 9230-07590	3,223.82	3,225.59	3,223.82	38,461.54
A&G-Office supplies - Misc General Expense 9210-07590	21,394.22	21,405.94	21,394.22	255,241.72
A&G-Administrative - Misc General Expense 9200-07590	2.49	2.49	2.49	29.73
<b>Miscellaneous</b>	<b>(2,878,110.49)</b>	<b>(2,879,686.94)</b>	<b>(2,878,110.49)</b>	<b>(34,337,026.02)</b>
Total O&M Expenses Before Allocations	7,155,885	7,937,586	7,270,475	94,686,467
Allocated to Kentucky	389,366	431,309	395,221	5,133,922

Company	(All)
Account	(All)

W:\MSI-KY Rate Case\2006 KY Rate Case\AG Requests Set #1\AG 1st DR Case # 2006-00464\AG DR-1 Cover Sheets\Reviewed by Legal Final\Case 2006-00464 AG DR1-63 ATT2.xls\item 64

Sum of Journal Amount	Sub Account	SubAccount Desc	Allocated to
2000	4001	Safety,Newspaper	19,143 item a
	4021	Promo Other,Misc	387 item a
	4040	Community Rel&Trade Shows	91 item d
	4044	Advertising	35,487
	4046	Cust Relations & Assist	13,931
<b>2000 Total</b>			<b>69,040</b>
9000	4001	Safety,Newspaper	2,882
	4021	Promo Other,Misc	33,448
	4040	Community Rel&Trade Shows	53,522
	4044	Advertising	4,120
	4046	Cust Relations & Assist	111,425
<b>9000 Total</b>			<b>205,346</b>
<b>Grand Total</b>			<b>293,916</b>

Kentucky	General office	TL Kentucky
1357	1474	2832 item a
16032	17416	33448 item a
25654	27869	53522 item d
1975	2145	4120 item a
53407	58018	111425 item d
98424	106922	205346

SSU	
item a	
4001	19,143
4021	387
	19,530
item d	
4040	91
4046	13,931
	14,023
General Office	
item a	
4001	1,474
4021	17,416
4044	2,145
	21,036
item d	
4040	27,869
4046	58,018
	85,886

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 64**  
**Witness: Greg Waller**

**Data Request:**

Please provide worksheets showing the above-the-line forecasted test year expenses (charged to O&M) allocated from the General Office Division to Kentucky for ratemaking purposes in this case. Provide these O&M expenses in total and by detailed functional type of expense. In addition, identify and quantify the following type of expenses included in these allocated test year expenses:

- a. Promotional and institutional advertising.
- b. Charitable contributions.
- c. Lobbying and governmental affairs.
- d. Public relations and community relations.
- e. Service awards, party, outing and gift expenses.
- f. Incentive compensation expenses.

**Response:**

See attached document:

Case 2006-00464 AG DR1-64 ATT

Item a:

\$21,036

See attached:

Case 2006-00464 AG DR1-63 ATT A SSU

Item b:

Charitable contributions are booked below the line and are not included in the forecasted test period.

Item c:

See attached for governmental affairs:

Case 2006-00464 AG DR1-58 ATT item d

Other political activity expenses are booked below the line and are not included in the forecasted test period.

Item d:

\$85,886

Please see attached:

Case 2006-00464 AG DR1-63 ATT A SSU

Item e:

Case 2006-00464 AG DR1-57

Item f:

See attached:

Case 2006-00464 AG DR1-62 ATT item c.

	Fiscal 2007 July	Fiscal 2007 August	Fiscal 2007 September	Fiscal 2007 October	Fiscal 2007 November	Fiscal 2008 December	Fiscal 2008 January	Fiscal 2008 February	Fiscal 2008 March	Fiscal 2008 April	Fiscal 2008 May	Fiscal 2008 June	Test period Ending 6/30/08
Maintenance of meas - Non-project Labor 8890-01000	39.72	41.52	36.11	41.05	41.05	39.19	42.97	37.37	41.11	39.24	42.97	39.24	481.53
Maintenance of mets - Non-project Labor 8930-01000	5,259.10	5,498.10	4,761.11	5,435.82	5,435.82	5,186.79	5,690.54	4,948.45	5,443.17	5,195.81	5,690.54	5,195.81	63,763.07
Customer accounts-M - Non-project Labor 9020-01000	226.20	236.48	205.64	233.80	233.80	223.17	242.84	212.84	234.11	223.47	244.75	223.47	2,742.48
Customer service-C - Non-project Labor 9030-01000	11,461.80	11,962.88	10,420.38	11,846.93	11,846.93	11,308.56	12,402.07	10,784.76	11,862.97	11,233.87	12,402.07	11,233.87	138,966.57
Customer service-Op - Non-project Labor 9080-01000	1,112.50	1,163.05	1,011.38	1,149.88	1,149.88	1,097.62	1,203.76	1,046.78	1,151.43	1,099.11	1,203.76	1,099.11	13,486.26
Customer service-Op - Expense Labor 9090-01000	4,435.31	4,636.87	4,032.19	4,584.34	4,584.34	4,376.01	4,799.16	4,173.32	4,590.54	4,381.93	4,799.16	4,381.93	53,775.10
Sales-Supervision - Non-project Labor 9110-01000	1,970.95	2,060.52	1,791.81	2,037.17	2,037.17	1,944.60	2,132.63	1,854.52	2,039.93	1,947.23	2,132.63	1,947.23	23,896.40
Distribution-Operat - Non-project Labor 8700-01000	113,528.07	118,684.15	103,206.96	117,339.65	117,339.65	112,007.26	122,838.09	106,819.20	117,488.45	112,158.85	122,838.09	112,158.85	1,376,414.27
Distribution load d - Non-project Labor 8710-01000	2,550.61	2,666.73	2,318.97	2,656.52	2,656.52	2,516.71	2,780.07	2,400.13	2,640.09	2,520.11	2,780.07	2,520.11	30,928.84
Mans and Services - Non-project Labor 8740-01000	1,707.54	1,785.34	1,552.34	1,764.91	1,764.91	1,684.71	1,809.67	1,606.87	1,767.30	1,686.99	1,809.67	1,686.99	20,702.70
Distribution-Measur - Non-project Labor 8750-01000	3,155.43	3,298.82	2,868.64	3,261.45	3,261.45	3,113.24	3,414.28	2,969.04	3,265.87	3,117.45	3,414.28	3,117.45	38,257.42
Meier and house reg - Non-project Labor 8780-01000	67.83	70.92	61.67	70.11	70.11	66.93	73.40	63.83	70.21	67.02	73.40	67.02	822.44
Distribution-Other - Non-project Labor 8800-01000	3,184.30	3,329.01	2,894.89	3,291.30	3,291.30	3,141.73	3,445.53	2,996.21	3,295.75	3,145.98	3,445.53	3,145.98	38,607.49
Distribution-Operat - Capital Labor 8700-01001	341,794.56	357,327.19	310,729.39	353,279.27	353,279.27	337,224.83	369,893.64	321,604.92	353,757.37	337,681.21	369,893.64	337,681.21	4,164,026.50
Distribution-Operat - Expense Labor 8710-01002	(265,392.38)	(278,080.23)	(241,816.75)	(274,930.04)	(274,930.04)	(262,436.11)	(287,813.04)	(250,280.34)	(275,302.12)	(262,791.27)	(287,813.04)	(262,791.27)	(3,224,978.64)
Other storage expen - Expense Labor 8750-01008	(15.46)	(16.16)	(14.05)	(15.98)	(15.98)	(15.25)	(16.73)	(14.55)	(16.00)	(15.27)	(16.73)	(15.27)	(187.44)
Distribution-Operat - Expense Labor 8700-01008	404.97	423.38	368.17	418.58	418.58	399.56	438.20	381.05	419.15	400.10	438.20	400.10	4,910.03
Distribution load d - Expense Labor 8710-01008	1.50	1.57	1.37	1.55	1.55	1.48	1.62	1.41	1.56	1.48	1.62	1.48	18.20
Mans and Services - Expense Labor 8740-01008	(3.44)	(3.59)	(3.12)	(3.55)	(3.55)	(3.39)	(3.72)	(3.23)	(3.56)	(3.40)	(3.72)	(3.40)	(41.67)
Distribution-Measur - Expense Labor 8750-01008	(3.44)	(3.59)	(3.12)	(3.55)	(3.55)	(3.39)	(3.71)	(3.23)	(3.55)	(3.39)	(3.71)	(3.39)	(41.62)
Distribution-Other - Expense Labor 8800-01008	(14.44)	(15.09)	(13.12)	(14.92)	(14.92)	(14.24)	(15.62)	(13.58)	(14.94)	(14.26)	(15.62)	(14.26)	(175.00)
Distribution-Maint - Expense Labor 8870-01008	140.63	147.02	127.85	145.35	145.35	138.75	152.16	132.32	145.55	138.93	152.16	138.93	1,705.03
Maintenance of serv - Expense Labor 8920-01008	140.63	147.02	127.85	145.35	145.35	138.75	152.16	132.32	145.55	138.93	152.16	138.93	1,705.03
Maintenance of mele - Expense Labor 8930-01008	(4.30)	(4.51)	(4.46)	(5.07)	(5.07)	(4.84)	(5.30)	(4.61)	(5.07)	(4.84)	(5.30)	(4.84)	(59.42)
Customer accounts-C - Expense Labor 9030-01008	185.93	194.37	169.03	192.17	192.17	183.44	201.18	174.94	192.43	183.69	201.18	183.69	2,254.22
Customer service-Op - Expense Labor 9080-01008	(12.93)	(13.82)	(11.75)	(13.36)	(13.36)	(12.76)	(13.98)	(12.17)	(13.38)	(12.77)	(13.98)	(12.77)	(158.75)
Customer service-Op - Expense Labor 9090-01008	739.22	772.81	672.03	764.06	764.06	729.34	799.86	695.55	765.09	730.32	799.86	730.32	8,962.82
Sales-Supervision - Expense Labor 9110-01008	(12.46)	(13.03)	(11.33)	(12.88)	(12.88)	(12.30)	(13.49)	(11.73)	(12.90)	(12.31)	(13.49)	(12.31)	(151.11)
Distribution-Operat - PTO Accrual 8700-01010	15,774.60	16,491.47	14,340.87	16,304.65	16,304.65	15,563.27	17,068.67	14,842.81	16,326.71	15,584.76	17,068.67	15,584.76	191,256.34
Distribution-Operat - Capital Labor Transfer in 8700-01011	230,639.56	241,120.82	209,677.09	238,389.33	238,389.33	227,555.95	249,560.05	217,015.79	249,560.05	227,863.91	249,560.05	227,863.91	2,796,347.74
Distribution-Operat - Capital Labor Transfer Out 8700-01012	(306,564.44)	(320,498.06)	(278,701.28)	(316,865.37)	(316,865.37)	(302,465.73)	(331,713.42)	(288,455.82)	(317,294.20)	(302,875.06)	(331,713.42)	(302,875.06)	(3,716,885.22)
A&G-Employee benefi - Benefits Load 9260-01200	165,894.28	173,433.23	150,816.41	171,468.52	171,468.52	163,677.30	179,503.40	156,094.96	171,700.56	163,897.81	179,503.40	163,897.81	2,011,355.23
A&G-Employee benefi - Benefits Vanance 9250-01201	34,205.91	35,560.79	30,349.19	35,075.34	35,075.34	33,896.58	35,151.21	32,801.40	35,156.05	33,281.13	35,156.05	33,281.13	413,858.09
A&G-Employee benefi - Workers Comp Insurance 9250-01221	80,951.69	82,891.28	75,265.09	82,330.03	82,330.03	79,619.45	85,250.37	77,047.00	82,450.69	79,647.93	85,250.37	79,647.93	972,108.46
Benefits	93,611.81	96,570.50	87,685.79	95,820.12	95,820.12	92,758.73	99,318.89	89,761.75	96,057.19	92,791.91	99,318.89	92,791.91	1,132,531.58
Distribution-Operat - Inventory Materials 8700-02001	20.54	20.21	22.47	26.23	26.23	30.45	20.97	25.19	28.51	20.88	25.19	20.88	274.59
Mans and Services - Inventory Materials 8740-02001	23.63	23.25	22.54	23.64	23.64	35.02	24.12	28.97	28.53	24.02	28.97	24.02	315.82
Distribution-Operat - Warehouse Loading Charge 8700-02004	61.95	60.96	58.92	79.10	61.98	91.84	63.24	75.98	74.82	62.98	75.98	60.71	828.13
Mans and Services - Warehouse Loading Charge 8740-02004	3.30	3.25	3.14	4.22	3.31	4.30	3.37	4.05	3.99	3.38	4.05	3.38	44.16
Distribution-Operat - Non-Inventory Supplies 8700-02005	208.03	204.70	197.86	265.63	208.15	308.41	212.36	255.14	251.24	211.48	255.14	211.48	2,780.96
Distribution-Measur - Non-Inventory Supplies 8750-02005	1,941.40	1,970.27	1,846.49	2,478.92	1,942.44	2,686.72	1,981.77	2,380.97	2,340.61	1,978.61	2,380.97	1,744.32	25,923.37
Customer accounts-C - Office Supplies 9030-05010	463.27	455.84	440.62	463.52	463.52	466.79	472.90	458.16	459.48	470.95	472.90	458.16	5,192.88
Customer service-Op - Office Supplies 9090-05010	12.31	12.11	11.81	15.71	15.71	18.25	12.56	15.09	14.86	12.51	15.09	12.51	164.52
Sales-Supervision - Office Supplies 9110-05010	20.85	20.52	19.83	26.63	20.86	30.91	21.29	25.57	25.18	21.20	25.57	21.20	278.74
A&G-Office supplies - Office Supplies 9210-05010	2.45	2.41	2.33	3.13	2.45	3.63	2.50	3.01	2.96	2.49	3.01	2.49	32.76
Distribution-Operat - Office Supplies 8700-05010	21,452.31	21,108.34	20,403.61	27,391.89	21,463.87	31,803.06	21,898.43	26,309.60	25,907.83	21,808.23	26,309.60	21,808.23	286,771.28
Materials & Supplies	24,210.03	23,025.82	23,025.82	30,913.15	24,223.08	35,891.39	24,713.50	29,691.73	29,236.32	24,611.71	21,752.47	31,543.37	323,636.13
Mans and Services - Vehicle Depreciation 8740-03001	3,245.02	2,924.41	2,856.61	3,351.43	2,999.14	2,850.11	3,341.73	2,993.86	2,862.41	3,351.09	3,018.58	2,867.11	36,661.50
Distribution-Operat - Capitalized transportation costs 8700-03003	1,424.01	1,283.32	1,253.56	1,470.71	1,316.11	1,250.71	1,466.45	1,313.80	1,382.64	1,250.71	1,466.45	1,324.64	16,088.15
Mans and Services - Capitalized transportation costs 8740-03003	381,900.29	344,169.12	336,189.30	394,424.40	352,963.35	335,424.84	393,282.64	352,342.51	336,871.67	334,384.26	352,342.51	337,424.71	4,314,628.41
Distribution-Operat - Vehicle Expense 8700-03004	(1,700.31)	(1,321.33)	(1,496.80)	(1,756.07)	(1,571.48)	(1,493.39)	(1,750.99)	(1,568.72)	(1,499.84)	(1,555.90)	(1,568.72)	(1,502.30)	(19,209.79)
Mans and Services - Vehicle Expense 8740-03004	(623,115.69)	(561,552.94)	(548,532.90)	(643,550.41)	(575,901.76)	(547,285.60)	(641,887.49)	(574,888.80)	(549,646.27)	(643,484.92)	(579,634.87)	(550,548.62)	(7,039,830.42)
Distribution-Maint - Heavy Equipment 8940-04302	(1,641.35)	(1,479.19)	(1,444.89)	(1,695.18)	(1,516.98)	(1,441.61)	(1,514.32)	(1,447.93)	(1,447.93)	(1,695.01)	(1,526.82)	(1,450.20)	(18,543.64)
Mans and Services - Heavy Equipment 8940-04302	(1,077.33)	(970.89)	(948.38)	(1,112.66)	(948.38)	(946.22)	(1,109.44)	(993.95)	(950.30)	(1,112.54)	(1,002.15)	(951.86)	(12,171.41)
Distribution-Maint - Heavy Equipment Capitalized 8940-04307	1,395.17	1,257.33	1,228.18	1,440.92	1,289.46	1,225.38	1,436.75	1,287.19	1,306.67	1,440.78	1,287.19	1,232.69	15,762.33
Mans and Services - Heavy Equipment Capitalized 8740-04307	915.70	825.23	806.10	945.73	846.32	804.27	943.00	844.83	807.74	840.74	844.83	809.06	10,345.43
Vehicles & Equip	-238,654.64	-215,075.92	-210,089.22	-246,481.12	-220,571.55	-209,611.50	-245,767.82	-220,183.59	-210,515.64	-245,456.04	-222,001.34	-210,861.25	(2,696,269.44)
Distribution-Operat - Postage/Delivery Services 8700-05111	1,993.44	1,951.21	1,945.50	2,012.52	1,963.27	2,300.86	1,995.81	1,963.27	1,999.99	2,129.59	1,999.99	1,999.99	24,265.99
Distribution-Operat - Postage/Delivery Services 8800-05111	1.26	1.25	1.27	1.28	1.27	1.47	1.28	1.27	1.28	1.36	1.28	1.28	15.52
Distribution-Maint - Postage/Delivery Services 8870-05111	13.20	13.11	13.07	13.53	13.33	13.41	13.33	13.33	13.44	14.31	13		







**Atmos Energy Corporation, Kentucky**

**Case No. 2006-00464**

**Attorney General Initial Data Request Dated February 20, 2007**

**DR Item 65**

**Witness: Greg Waller**

**Data Request:**

Please reconcile the statements made on page 14 of Mr. Waller's testimony that ..."total labor is projected to increase 2.9%, or \$345,550 from the base period to the test period," and that the ..."labor expense [is] forecasted to increase \$463,928 from the base period to the test period."

**Response:**

Total labor is comprised of expense labor plus capital labor. As described on page 14 of Mr. Waller's testimony, we have budgeted in FY07 and have forecasted in the test period a lower labor capitalization rate as compared to the base period. Thus, while total labor is growing at 2.9% from the base period to the test period, expense labor is forecasted to grow more while capital labor actually declines. Please see the chart below for the reconciliation.

	<b>Base Period</b>	<b>Test Period</b>	<b>Increase/ (Decrease)</b>	<b>% Increase / Decrease</b>
Expense Labor	\$ 5,592,987	\$ 6,056,915	\$ 463,928	8.3%
Capital Labor	\$ 6,186,712	\$ 6,068,334	\$ (118,378)	-1.9%
<b>Total Labor</b>	<b>\$ 11,779,699</b>	<b>\$ 12,125,249</b>	<b>\$ 345,550</b>	<b>2.9%</b>
<b>Labor Capitalization Rate</b>	<b>52.5%</b>	<b>50.0%</b>		

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 66**  
**Witness: Greg Waller**

**Data Request:**

Please expand the response to data request PSC-1-20 in this case by providing actual employee data for the months of October 2006 through January 2007.

**Response:**

Please see attached:

Case 2006-00464 AG DR1-66 ATT

**Kentucky Division Employee Count**

Fiscal Year 2002						
	Group			Assignment Category		Total Count
	Exempt	Non Exempt	Executive	Full-Time	Part-Time	
October	51	195	1	247	0	247
November	51	195	1	247	0	247
December	51	195	1	247	0	247
January	54	194	1	249	0	249
February	54	193	1	248	0	248
March	53	192	1	246	0	246
April	54	191	1	246	0	246
May	54	192	1	247	0	247
June	54	192	1	247	0	247
July	54	192	1	247	0	247
August	54	190	1	245	0	245
September	54	190	1	245	0	245

Fiscal Year 2003						
	Group			Assignment Category		Total Count
	Exempt	Non Exempt	Executive	Full-Time	Part-Time	
October	54	190	1	245	0	245
November	54	190	1	245	0	245
December	54	192	1	247	0	247
January	53	190	1	244	0	244
February	53	190	1	244	0	244
March	55	188	1	244	0	244
April	55	188	1	244	0	244
May	54	189	1	244	0	244
June	52	187	1	240	0	240
July	54	185	1	240	0	240
August	54	184	1	239	0	239
September	53	183	1	237	0	237

Fiscal Year 2004						
	Group			Assignment Category		Total Count
	Exempt	Non Exempt	Executive	Full-Time	Part-Time	
October	53	183	1	237	0	237
November	53	181	1	235	0	235
December	53	181	1	235	0	235
January	54	180	1	235	0	235
February	53	180	1	234	0	234
March	53	182	1	236	0	236
April	52	182	1	235	0	235
May	52	181	1	234	0	234
June	52	182	1	235	0	235
July	54	184	1	239	0	239
August	54	185	1	240	0	240
September	54	183	1	238	0	238

Fiscal Year 2005						
	Group			Assignment Category		Total Count
	Exempt	Non Exempt	Executive	Full-Time	Part-Time	
October	53	180	1	234	0	234
November	53	184	1	238	0	238
December	53	182	1	236	0	236
January	52	183	1	236	0	236
February	53	182	1	236	0	236
March	53	182	1	236	0	236
April	53	182	1	236	0	236
May	53	184	1	238	0	238
June	52	182	1	235	0	235
July	52	180	1	233	0	233
August	52	180	1	233	0	233
September	52	182	1	235	0	235

Fiscal Year 2006						
	Group			Assignment Category		Total Count
	Exempt	Non Exempt	Executive	Full-Time	Part-Time	
October	52	183	1	236	0	236
November	52	184	1	237	0	237
December	52	183	1	236	0	236
January	50	181	1	232	0	232
February	51	182	1	234	0	234
March	52	179	1	232	0	232
April	48	178	1	227	0	227
May	48	176	1	225	0	225
June	49	178	1	228	0	228
July	50	176	1	227	0	227
August	50	176	1	227	0	227
September	50	175	1	226	0	226

Fiscal Year 2007						
	Group			Assignment Category		Total Count
	Exempt	Non Exempt	Executive	Full-Time	Part-Time	
October	53	175	1	229	0	229
November	55	173	1	229	0	229
December	54	175	1	230	0	230
January	54	177	1	232	0	232
February					0	0
March					0	0
April					0	0
May					0	0
June					0	0
July					0	0
August					0	0
September					0	0

Test Period						
	Group			Assignment Category		Total Count
	Exempt	Non Exempt	Executive	Full-Time	Part-Time	
July	51	178	1	230	0	230
August	51	178	1	230	0	230
September	51	178	1	230	0	230
October	51	178	1	230	0	230
November	51	178	1	230	0	230
December	51	178	1	230	0	230
January	51	178	1	230	0	230
February	51	178	1	230	0	230
March	51	178	1	230	0	230
April	51	178	1	230	0	230
May	51	178	1	230	0	230
June	51	178	1	230	0	230

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 67**  
**Witness: Greg Waller**

**Data Request:**

If the payroll and benefit information shown on Schedule G-2 only includes data for the Kentucky Division, please provide the same type of information from 2002 through the forecasted period for the payroll, benefit and employee levels included in the allocations to Kentucky from the SSU and the General Office.

**Response:**

See attached spreadsheet labeled AG DR1-67 ATT.

This schedule reflects gross payroll costs for SSU. A portion of these costs is capitalized as overhead and included in project costs. These percentages are applied by cost center to determine the amounts to be capitalized. The average overhead percentages capitalized for the last several years, base and forecast test period are identified in the table below:

	<b>FY03</b>	<b>FY04</b>	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>Base</b>	<b>Test</b>
% Capitalized	30%	29%	26%	28%	28%	26%	27%

Man Hours	Fiscal 2002	%Change	Fiscal 2003	%Change	Fiscal 2004	%Change	Fiscal 2005	%Change	Fiscal 2006	%Change	Base 2/28/2007	%Change	Test 5/31/2008
Straight Time Hours	530,265	0.25%	531,597	-1.78%	522,128	44.87%	756,389	35.63%	1,027,396	8.23%	1,111,947	7.8%	1,198,579
Overtime Hours	12,932	-12.21%	10,826	-1.59%	10,922	10.92%	11,818	106.48%	24,402	-7.00%	22,693	7.8%	24,461
Total Man Hours	542,597	0.0%	542,423	-1.8%	532,783	44.2%	768,207	36.9%	1,051,798	7.9%	1,134,640	7.8%	1,223,040
Ratio of Overtime Hours to Straight Time Hours	2.33%		2.04%		2.04%		1.56%		2.38%		2.00%		2.00%

Labor Dollars	Fiscal 2002	%Change	Fiscal 2003	%Change	Fiscal 2004	%Change	Fiscal 2005	%Change	Fiscal 2006	%Change	Base 2/28/2007	%Change	Test 5/31/2008
Straight Time Dollars	7,387,176	1.73%	7,515,011	5.34%	7,916,531	47.38%	11,667,202	36.45%	15,919,943	7.34%	17,088,465	12.74%	19,265,758
Overtime Dollars	219,172	-12.75%	191,224	1.48%	194,047	27.34%	247,104	119.90%	543,375	-95.82%	348,744	12.74%	993,179
Total Labor Dollars	7,606,348	1.31%	7,706,235	5.25%	8,110,578	46.90%	11,914,306	38.18%	16,463,318	5.92%	17,437,209	12.74%	19,658,936
Ratio of Overtime Dollars to Straight Time Dollars	2.97%		2.54%		2.45%		2.12%		3.41%		2.00%		2.00%
O&M Labor Dollars	6,362,855	-8.49%	5,822,811	8.21%	6,300,767	53.22%	9,653,849	65.91%	16,016,886	8.87%	17,437,209	12.74%	19,658,936
Ratio of O&M Labor Dollars to Total Labor Dollars	83.65%		75.56%		77.69%		81.03%		97.29%		100.00%		100.00%

Employee Benefits	Fiscal 2002	%Change	Fiscal 2003	%Change	Fiscal 2004	%Change	Fiscal 2005	%Change	Fiscal 2006	%Change	Base 2/28/2007	%Change	Test 5/31/2008
Total Employee Benefits	79,790	112.55%	169,594	6.77%	181,083	2.51%	185,628	17.81%	218,684	0.62%	220,031	12.74%	248,065
Employee Benefits Expensed	1,159,667	35.89%	1,575,949	0.49%	1,583,600	62.20%	2,568,529	79.99%	4,623,029	8.61%	5,021,198	15.89%	5,819,046
Ratio of Employee Benefits Expensed to Total Employee Benefits	1453.41%		929.19%		874.52%		1383.70%		2114.02%		2282.05%		2345.77%

Payroll Taxes	Fiscal 2002	%Change	Fiscal 2003	%Change	Fiscal 2004	%Change	Fiscal 2005	%Change	Fiscal 2006	%Change	Base 2/28/2007	%Change	Test 5/31/2008
Total Payroll Taxes	277,247	127.46%	630,630	3.23%	651,011	50.96%	982,760	34.18%	1,318,620	7.01%	1,411,030	18.98%	1,678,774
Payroll Taxes Expensed	482,008	-9.92%	434,209	7.56%	467,018	52.56%	712,464	70.96%	1,218,000	13.53%	1,382,810	18.98%	1,645,198
Ratio of Payroll Taxes Expensed to Total Payroll Taxes	173.86%		68.85%		71.74%		72.50%		92.37%		98.00%		98.00%

Employee Levels	Fiscal 2002	%Change	Fiscal 2003	%Change	Fiscal 2004	%Change	Fiscal 2005	%Change	Fiscal 2006	%Change	Base 2/28/2007	%Change	Test 5/31/2008
Year End Employee Levels	239	10.9%	265	-1.1%	262	87.8%	492	2.2%	503	8.4%	546	7.8%	588

Man Hours	Fiscal 2002	%Change	Fiscal 2003	%Change	Fiscal 2004	%Change	Fiscal 2005	%Change	Fiscal 2006	%Change	Base 3/31/2007	%Change	Test 6/30/2008
Straight Time Hours	459,713	3.46%	475,641	2.63%	488,136	14.16%	557,254	20.01%	668,734	6.57%	712,691	5.35%	750,828
Overtime Hours	4,513	9.09%	4,923	-34.20%	3,239	33.89%	4,337	162.96%	11,404	-36.87%	7,199	6.43%	7,662
Total Man Hours	464,226	3.5%	480,564	2.2%	491,375	14.3%	561,590	21.1%	680,138	5.8%	719,890	5.4%	758,490
Ratio of Overtime Hours to Straight Time Hours	0.98%	1.03%			0.66%		0.78%		1.00%		1.01%		1.02%

Labor Dollars	Fiscal 2002	%Change	Fiscal 2003	%Change	Fiscal 2004	%Change	Fiscal 2005	%Change	Grand Total	%Change	Base 3/31/2007	%Change	Test 6/30/2008
Straight Time Dollars	15,472,678	9.55%	16,951,028	8.47%	18,387,088	13.32%	20,837,111	18.66%	24,729,390	7.16%	26,500,438	7.50%	28,487,706
Overtime Dollars	96,724	18.34%	114,466	-26.13%	84,553	40.18%	118,522	131.81%	274,748	-2.57%	267,681	7.50%	287,755
Total Labor Dollars	15,569,402	9.61%	17,065,494	8.24%	18,471,641	13.45%	20,955,633	19.32%	25,004,138	7.05%	26,768,119	7.50%	28,775,461

Ratio of Overtime Dollars to Straight Time Dollars	0.63%	0.66%			0.46%		0.57%		1.11%		1.00%		1.00%
O&M Labor Dollars	15,425,709	8.34%	16,711,903	7.63%	17,986,844	11.86%	20,119,698	18.90%	23,921,736	9.66%	26,232,756	7.50%	28,199,951
Ratio of O&M Labor Dollars to Total Labor Dollars	99.08%	97.93%			97.38%		96.01%		95.67%		98.00%		98.00%

Employee Benefits	Fiscal 2002	%Change	Fiscal 2003	%Change	Fiscal 2004	%Change	Fiscal 2005	%Change	Fiscal 2006	%Change	Base 3/31/2007	%Change	Test 6/30/2008
Total Employee Benefits	4,482,742	31.14%	5,878,654	11.64%	6,563,166	34.08%	8,799,973	43.64%	12,640,006	5.82%	13,379,323	6.06%	14,186,327
Employee Benefits Expensed	2,732,765	17.46%	3,209,838	8.57%	3,485,009	45.02%	5,054,042	54.30%	7,798,243	9.85%	8,574,155	0.48%	8,615,346
Ratio of Employee Benefits Expensed to Total Employee Benefits	60.96%	54.60%			53.10%		57.43%		61.69%		64.10%		60.73%

Payroll Taxes	Fiscal 2002	%Change	Fiscal 2003	%Change	Fiscal 2004	%Change	Fiscal 2005	%Change	Fiscal 2006	%Change	Base 3/31/2007	%Change	Test 6/30/2008
Total Payroll Taxes	1,458,653	-18.25%	1,192,496	9.48%	1,305,603	9.94%	1,435,381	24.85%	1,782,101	6.90%	1,915,690	7.50%	2,059,348
Payroll Taxes Expensed	1,154,664	5.86%	1,222,335	7.25%	1,310,945	11.56%	1,462,509	20.49%	1,762,176	6.54%	1,877,376	7.50%	2,018,161
Ratio of Payroll Taxes Expensed to Total Payroll Taxes	79.16%	102.50%			100.41%		101.89%		98.33%		98.00%		98.00%

Employee Levels	Fiscal 2002	%Change	Fiscal 2003	%Change	Fiscal 2004	%Change	Fiscal 2005	%Change	Fiscal 2006	%Change	Base 3/31/2007	%Change	Test 6/30/2008
Year End Employee Levels	254	-5.1%	241	8.3%	261	9.6%	286	23.4%	353	5.7%	373	5.4%	393

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 68**  
**Witness: Greg Waller**

**Data Request:**

Provide the reason for the \$446,394 decrease in Executive Other Allowances and Compensation from the base period to the forecasted period, as shown on Schedule G-3.

**Response:**

The decrease in Executive Other Allowances and Compensation from the base period to the forecasted period is attributable to the retirement of one executive employee that was eligible to receive restricted stock during the base period. The forecasted period reflects a reduction in such restricted stock issuances.



**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 69**  
**Witness: Greg Waller**

**Data Request:**

The actual average ratio of overtime hours to straight-time hours for the most recent 5 fiscal year period 2002-2006 shown on Schedule G-2 amounts to 2.055%. In this regard, please provide the following information:

- a. What is the equivalent actual ratio for calendar year 2006?
- b. What is the equivalent ratio for the base period based on actual data through 12/31/06 and budgeted data for the first 3 months in 2007?
- c. What is the basis for the proposed use of a ratio of 3.286% for the forecasted test year?
- d. What is the ratio in the approved FY07 budget?
- e. What is the ratio in the FY08 budget?

**Response:**

- a. The actual ratio for calendar year 2006 is 3.85%.
  
- b. The ratio for the base period based on 9 months actual and 3 months budget is 3.81%.
  
- c. The 3.286% was derived by using the ratio of overtime hours to overtime dollars through FY 06. This actual percentage was applied to total labor in the forecasted test period to arrive at overtime dollars and hours.
  
- d. Atmos does not budget labor hours. The Company budgets overtime dollars based on historical averages.
  
- e. Per the Company's budgeting process described in Mr. Waller's testimony, the FY 08 budget will not be prepared until summer of 2007.

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 70**  
**Witness: Greg Waller**

**Data Request:**

The actual average labor O&M expense ratio for the most recent 5 fiscal year period 2002-2006 shown on Schedule G-2 amounts to 42.013%. In this regard, please provide the following information:

- a. What is the equivalent actual labor O&M expense ratio for calendar year 2006?
- b. What is the equivalent ratio for the base period based on actual data through 12/31/06 and budgeted data for the first 3 months in 2007?
- c. What is the basis for the proposed use of a ratio of 49.953% for the forecasted test year?
- d. What is the ratio in the approved FY07 budget?
- e. What is the ratio in the FY08 budget?

**Response:**

- a. The actual ratio for calendar year 2006 is 47.22%.
- b. The ratio for the base period based on 9 months actual and 3 months budget is 46.76%
- c. The basis for the 49.953% is the approved FY 07 budget which is consistent with the process described in Mr. Waller's testimony.
- d. The approved ratio in FY 07 is 49.8%.
- e. Per the Company's budgeting process described in Mr. Waller's testimony, the FY 08 budget will not be prepared until summer of 2007.

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 71**  
**Witness: Greg Waller**

**Data Request:**

Please provide the actual number of vacant employee positions in each of the fiscal years 2004, 2005, 2006, and for calendar year 2006 as compared to the vacant positions implicit in the proposed payroll numbers for the base period and forecasted test period.

**Response:**

See attachment for fiscal years 2004, 2005 and 2006. It is not possible to isolate calendar 2006 given the accounting changes that took place on October 1, 2006. There are 6 vacant positions implicit in the proposed payroll numbers for the base and forecasted test periods (KY direct positions only). These positions are included in the FY 2007 budget which is the basis for the forecasts.

Atmos-KY Case 2006-00464  
AG DR1-71

	FY 2004												ANNUAL AVERAGE	Average Vacancies	
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT			
Authorized Employees	245	245	245	245	245	245	245	245	245	245	245	245	245	245.0	7.7
Actual Employees	238	237	236	237	236	238	237	234	235	240	241	239	237.3		

	FY 2005												ANNUAL AVERAGE	Average Vacancies	
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT			
Authorized Employees	242	242	242	242	242	242	242	242	242	242	242	242	242	242.0	5.3
Actual Employees	235	239	237	237	237	237	237	239	237	235	235	236	236.8		

	FY 2006												ANNUAL AVERAGE	Average Vacancies	
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT			
Authorized Employees	241	241	241	241	241	241	241	241	241	241	241	241	241	241.0	9.5
Actual Employees	237	238	237	233	235	234	229	227	228	227	227	226	231.5		

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3 Year Average

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7.5

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 72**  
**Witness: Greg Waller**

**Data Request:**

At the top of page 15 of his testimony, Mr. Waller states that the "test period benefit expense of \$2,570,636 is \$160,924 higher than the base period." Please reconcile this data to the employee benefit information for the base period and test period shown on Schedule G-1, showing total benefit expenses in the range of \$5.3-\$5.6 million and increased benefit expenses of \$350,751.

**Response:**

The dollar amounts referenced in the testimony of Mr. Waller represent only the expensed portion (O&M portion) of benefits while Schedule G-1 itemizes total (expensed plus capitalized) benefits. Please see the chart below.

	<b>Base Period</b>	<b>Test Period</b>	<b>Increase</b>
Expensed Benefits	\$ 2,409,712	\$ 2,570,636	\$ 160,924
Capitalized Benefits	\$ 2,842,493	\$ 3,032,320	\$ 189,827
<b>Total Benefits</b>	<b>\$ 5,252,205</b>	<b>\$ 5,602,956</b>	<b>\$ 350,751</b>

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 73**  
**Witness: Greg Waller**

**Data Request:**

The actual average employee benefit O&M expense ratio for the most recent 5 fiscal year period 2002-2006 shown on Schedule G-2 amounts to 41.19%. In this regard, please provide the following information:

- a. What is the equivalent actual employee benefit O&M expense ratio for calendar year 2006?
- b. What is the equivalent ratio for the base period based on actual data through 12/31/06 and budgeted data for the first 3 months in 2007?
- c. What is the basis for the proposed use of a ratio of 45.880% for the forecasted test year?
- d. What is the ratio in the approved FY07 budget?
- e. What is the ratio in the FY08 budget?

**Response:**

- a. The actual ratio for calendar year 2006 is 42.95%.
- b. The ratio for the base period based on 9 months actual and 3 months budget is 41.78%
- c. Given the difficulty in projecting benefits expense as discussed in Mr. Waller's testimony, the base period ratio was carried forward and used in the forecasted test year projection.
- d. The approved ratio in FY 07 is 47.8%.
- e. Per the Company's budgeting process described in Mr. Waller's testimony, the FY 08 budget will not be prepared until summer of 2007.

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 74**  
**Witness: Greg Waller**

**Data Request:**

The actual average payroll tax O&M expense ratio for the most recent 5 fiscal year period 2002-2006 shown on Schedule G-2 amounts to 40.194%. In this regard, please provide the following information:

- a. What is the equivalent actual payroll tax O&M expense ratio for calendar year 2006?
- b. What is the equivalent ratio for the base period based on actual data through 12/31/06 and budgeted data for the first 3 months in 2007?
- c. What is the basis for the proposed use of a ratio of 45.880% for the forecasted test year?
- d. What is the ratio in the approved FY07 budget?
- e. What is the ratio in the FY08 budget?

**Response:**

- a. The actual ratio for calendar year 2006 is 45.11%.
- b. The ratio for the base period based on 9 months actual and 3 months budget is 45.12%.
- c. The basis for the 49.00% used in filing (45.88% was the benefit rate) was based on the FY06 ratio.
- d. The ratio in FY 07 is 49.8%. The rate is not developed as part of the budget process, so the labor rate is used.
- e. Per the Company's budgeting process described in Mr. Waller's testimony, the FY 08 budget will not be prepared until summer of 2007.

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 75**  
**Witness: Greg Waller**

**Data Request:**

For each of the employee benefit items shown on Schedule G-1, provide the equivalent actual expenses for each of the fiscal years 2002-2006 and for the base period based on 9 months of actual and 3 months of budgeted results.

**Response:**

Please see attachment labeled Case 2006-00464 AG DR1-75 ATT.



Atmos Energy Kentucky Division  
AG DR1-75

Description	Base Year					Test Year
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	
<b>Employee Benefits Gross</b>						
Pension	(450,882.84)	256,312.88	213,516.00	430,128.00	919,848.00	1,224,620
FAS 106	1,427,364.00	2,238,360.00	2,279,556.00	1,779,540.00	1,901,808.00	2,082,116
Employee Insurance	1,924,747.07	1,306,315.27	1,772,962.00	1,962,811.00	2,081,675.21	2,107,427
ESOP Contributions	456,262.40	450,120.42	439,818.00	457,114.00	450,102.09	425,613
<b>Total Employee Benefits</b>	<b>3,357,491</b>	<b>4,251,109</b>	<b>4,705,852</b>	<b>4,629,593</b>	<b>5,353,433</b>	<b>5,839,777</b>

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 76**  
**Witness: Greg Waller**

**Data Request:**

With regard to each of the employee benefit expenses shown on Schedule G-1, please provide the following information:

- a. Basis for the expenses listed for the base period and the forecasted period.
- b. Detailed explanation for the \$255,576 increase in the employee insurance plans, as well as actual source documentation in support of the increase.
- c. Source documentation in support of each of the forecasted test period employee benefit expenses, including actuary reports for claimed pension and FAS 106, documentation from insurance carriers, etc.

**Response:**

(a) The primary driver causing the insurance cost increase is medical and dental trends which are predominantly comprised of two components - inflation and utilization. Inflation represents the annual increase in the cost of individual services used in providing medical and dental coverage. Utilization pertains to the change in the number and type of services provided. Other items such as government cost shifting, changes in technology, defensive medicine and leveraging also contribute to changes in trends.

Towers Perrin performs surveys throughout the year to gather information on the direction of medical and dental trends together with the impact of these changes on employers. These surveys indicate that current medical trends are in the 8% to 10% range and the dental trends are in the 6% to 8% range. The expectation is that these ranges of increases in costs will continue through the next few years.

Atmos' medical and dental plans are experiencing cost increases due to both medical inflation and utilization. Additionally, plans such as worker's compensation, long term disability and life insurance have also contributed to the increase.

(b) The \$255,676 increase is the direct result of the above-mentioned plan costs increasing in the test year.

(c) The attached spreadsheet labeled AG DR1-76 ATT1 illustrates the increases Atmos has seen and expects to see in the future. The requested actuarial reports are attached as AG DR1-76 ATT2 and AG DR1-76 ATT3.

**Atmos Energy -  
Comparison of Costs to Budget - January 2007**

Actives-Medical / Rx (includes Atmos and MVG non-union)

a	b	c	d		e	f	g		h	i	(i - h)	
			Actual Paid Claims	Incurred Claims			Admin. Fees	MVG			Actual Cost	Total
Enrollment		Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
Calculations: (b * 1.01)												
Oct-05	4,253	\$2,614,824	\$2,640,669	\$151,611	\$4,816	\$2,797,096	\$665,396	\$2,131,700	\$2,599,482	\$467,781	\$467,781	\$292,228
Nov-05	4,244	\$2,782,135	\$2,809,956	\$151,273	\$4,816	\$2,966,045	\$664,079	\$2,301,966	\$2,594,194	\$292,228	\$292,228	(\$136,586)
Dec-05	4,230	\$3,196,710	\$3,228,677	\$150,746	\$4,816	\$3,384,239	\$661,937	\$2,722,301	\$2,585,715	(\$136,586)	(\$136,586)	(\$121,494)
Jan-06	4,269	\$3,000,028	\$3,030,028	\$160,856	\$4,472	\$3,195,357	\$651,620	\$2,543,736	\$2,422,242	(\$121,494)	(\$121,494)	\$131,360
Feb-06	4,259	\$2,744,671	\$2,772,118	\$160,500	\$4,451	\$2,937,068	\$650,429	\$2,286,639	\$2,417,999	(\$501,177)	(\$501,177)	\$39,901
Mar-06	4,256	\$3,369,357	\$3,403,051	\$160,381	\$4,451	\$3,567,882	\$651,286	\$2,917,833	\$2,416,656	(\$501,177)	(\$501,177)	(\$405,129)
Apr-06	4,266	\$2,839,361	\$2,867,755	\$160,777	\$4,451	\$3,032,982	\$645,236	\$2,381,697	\$2,424,949	(\$405,129)	(\$405,129)	(\$272,512)
May-06	4,293	\$3,276,236	\$3,308,998	\$161,886	\$4,429	\$3,475,314	\$644,779	\$2,830,078	\$2,422,854	(\$405,129)	(\$405,129)	(\$30,182)
Jun-06	4,294	\$3,142,348	\$3,173,772	\$161,965	\$4,408	\$3,340,144	\$644,075	\$2,695,366	\$2,420,222	(\$272,512)	(\$272,512)	(\$98,202)
Jul-06	4,294	\$2,899,115	\$2,928,106	\$161,965	\$4,408	\$3,094,479	\$646,876	\$2,450,404	\$2,430,992	(\$30,182)	(\$30,182)	(\$98,202)
Aug-06	4,312	\$2,979,174	\$3,008,966	\$162,718	\$4,386	\$3,176,070	\$643,287	\$2,529,193	\$2,417,724	(\$124,660)	(\$124,660)	(\$219,801)
Sep-06	4,302	\$2,989,073	\$3,018,964	\$162,322	\$4,386	\$3,185,672	\$644,302	\$2,542,384	\$2,413,857	(\$124,660)	(\$124,660)	(\$108,608)
Oct-06	4,318	\$3,087,832	\$3,118,710	\$162,995	\$4,365	\$3,286,070	\$642,091	\$2,641,768	\$2,413,857	(\$108,608)	(\$108,608)	\$319,802
Nov-06	4,294	\$2,968,462	\$2,998,147	\$162,045	\$4,365	\$3,164,556	\$639,434	\$2,522,464	\$2,403,678	(\$19,802)	(\$19,802)	(\$139,802)
Dec-06	4,276	\$2,532,291	\$2,557,614	\$161,332	\$4,365	\$2,723,310	\$639,434	\$2,083,876	\$2,403,678	(\$319,802)	(\$319,802)	(\$758,671)
<b>2006 Final Calendar</b>		<b>\$35,827,949</b>	<b>\$36,186,228</b>	<b>\$1,939,741</b>	<b>\$52,933</b>	<b>\$38,178,903</b>	<b>\$7,753,464</b>	<b>\$30,425,439</b>	<b>\$29,034,739</b>	<b>(\$1,390,700)</b>	<b>(\$1,390,700)</b>	
Jan-07	4,323	\$2,481,257	\$2,506,069	\$133,408	\$5,471	\$2,644,948	\$690,730	\$1,954,218	\$2,705,263	\$751,045	\$751,045	\$116,425
Feb-07	4,323	\$3,109,594	\$3,140,690	\$133,408	\$5,471	\$3,279,568	\$690,730	\$2,588,838	\$2,705,263	\$116,425	\$116,425	\$93,789
Mar-07	4,323	\$3,132,006	\$3,163,326	\$133,408	\$5,471	\$3,302,204	\$690,730	\$2,611,474	\$2,705,263	\$93,789	\$93,789	\$70,990
Apr-07	4,323	\$3,154,579	\$3,186,125	\$133,408	\$5,471	\$3,325,003	\$690,730	\$2,634,273	\$2,705,263	\$70,990	\$70,990	\$48,132
May-07	4,323	\$3,177,315	\$3,209,088	\$133,408	\$5,471	\$3,347,967	\$689,082	\$2,658,885	\$2,707,017	\$48,132	\$48,132	\$25,003
Jun-07	4,323	\$3,200,215	\$3,232,217	\$133,408	\$5,471	\$3,371,096	\$689,082	\$2,682,014	\$2,707,017	\$25,003	\$25,003	\$1,708
Jul-07	4,323	\$3,225,513	\$3,255,513	\$133,408	\$5,471	\$3,394,391	\$689,082	\$2,705,309	\$2,707,017	\$1,708	\$1,708	(\$21,756)
Aug-07	4,323	\$3,246,511	\$3,278,976	\$133,408	\$5,471	\$3,417,855	\$689,082	\$2,728,773	\$2,707,017	(\$21,756)	(\$21,756)	(\$45,389)
Sep-07	4,323	\$3,269,910	\$3,302,609	\$133,408	\$5,471	\$3,441,488	\$689,082	\$2,752,406	\$2,707,017	(\$45,389)	(\$45,389)	(\$69,191)
Oct-07	4,323	\$3,293,477	\$3,326,412	\$133,408	\$5,471	\$3,465,291	\$689,082	\$2,776,209	\$2,707,017	(\$69,191)	(\$69,191)	(\$93,166)
Nov-07	4,323	\$3,317,214	\$3,350,387	\$133,408	\$5,471	\$3,489,265	\$689,082	\$2,800,183	\$2,707,017	(\$93,166)	(\$93,166)	(\$117,313)
Dec-07	4,323	\$3,341,123	\$3,374,534	\$133,408	\$5,471	\$3,513,412	\$689,082	\$2,824,330	\$2,707,017	(\$117,313)	(\$117,313)	
<b>2007 Estimated</b>		<b>\$37,946,481</b>	<b>\$38,325,946</b>	<b>\$1,600,893</b>	<b>\$65,650</b>	<b>\$39,992,489</b>	<b>\$8,275,576</b>	<b>\$31,716,913</b>	<b>\$32,477,189</b>	<b>\$760,276</b>	<b>\$1,031,341</b>	
							20.7%	79.3%				
<b>2008 Estimated</b>		<b>\$41,266,798</b>	<b>\$41,679,466</b>	<b>\$1,713,983</b>	<b>\$68,932</b>	<b>\$43,462,381</b>	<b>\$8,692,476</b>	<b>\$34,769,905</b>	<b>\$34,769,905</b>	<b>\$3,052,992</b>	<b>\$3,052,992</b>	<b>0.096257546</b>
							20.0%	80.0%				
<b>2009 Estimated</b>		<b>\$44,774,476</b>	<b>\$45,222,221</b>	<b>\$1,832,260</b>	<b>\$72,379</b>	<b>\$47,126,860</b>	<b>\$9,425,372</b>	<b>\$37,701,488</b>	<b>\$37,701,488</b>	<b>\$2,931,583</b>	<b>\$2,931,583</b>	<b>0.0843138</b>
							20.0%	80.0%				

Notes:

- 1 Figures for February through December 2007 are estimated, and assume no change in enrollment.
- 2 Incurred claims are estimated to be 1% higher than paid claims each month.
- 3 Assumed trends are as follows: 9% for 2007; 8.75% for 2008; 8.5% for 2009
- 4 BCBS-TX fees are based on Sept. 2006 renewal fees.
- 5 MVG fees are assumed to increase 5% annually.
- 6 The projected surplus / (deficit) changes each month because we have assumed Atmos' contributions will remain constant throughout the year, while claims will increase with trend each month.
- 7 A true-up will be performed annually for Atmos' change in reserves.

**Atmos Energy -  
Comparison of Costs to Budget - January 2007**

a	b	c	d	e		f	g	h	i	
				(c + d)					(h - g)	
Enrollment	Actual Paid Claims Total	Incurred Claims Total (b * 1.01)	Admin. Fees Actives + Retirees	Actual Cost Total	EE / Ret. Contr.	Total Atmos Cost	Atmos Contr.	Plan Year	Surplus / (Deficit)	Fiscal Year
Oct-05	\$183,499	\$185,334	\$19,225	\$204,559	\$51,268	\$153,292	\$205,103	\$51,812	\$18,970	\$51,812
Nov-05	\$187,202	\$189,074	\$19,225	\$208,299	\$51,268	\$157,032	\$205,103	\$48,072	\$45,013	\$48,072
Dec-05	\$197,050	\$199,021	\$19,225	\$218,246	\$51,268	\$166,978	\$205,103	\$38,125	\$38,125	\$38,125
Jan-06	\$215,709	\$217,866	\$19,259	\$237,125	\$64,364	\$172,761	\$257,447	\$84,686	\$84,686	\$84,686
Feb-06	\$236,680	\$239,047	\$19,221	\$258,268	\$64,237	\$194,030	\$256,940	\$62,910	\$62,910	\$62,910
Mar-06	\$226,473	\$228,738	\$19,173	\$247,911	\$64,079	\$183,832	\$256,307	\$72,474	\$72,474	\$72,474
Apr-06	\$223,425	\$225,659	\$19,206	\$244,866	\$64,190	\$180,676	\$256,750	\$76,074	\$76,074	\$76,074
May-06	\$236,005	\$238,365	\$19,188	\$257,553	\$64,126	\$193,426	\$256,497	\$63,070	\$63,070	\$63,070
Jun-06	\$194,907	\$196,856	\$19,325	\$225,333	\$64,586	\$180,747	\$258,334	\$77,587	\$77,587	\$77,587
Jul-06	\$249,964	\$252,008	\$19,330	\$271,186	\$64,601	\$207,584	\$258,398	\$106,813	\$106,813	\$106,813
Aug-06	\$197,760	\$199,738	\$19,330	\$216,186	\$64,601	\$151,584	\$258,398	\$51,206	\$51,206	\$51,206
Sep-06	\$192,476	\$194,401	\$19,330	\$211,067	\$64,601	\$154,466	\$258,398	\$103,932	\$103,932	\$103,932
Oct-06	\$216,463	\$218,628	\$19,486	\$213,887	\$65,124	\$148,763	\$260,489	\$111,726	\$111,726	\$111,726
Nov-06	\$189,402	\$191,296	\$19,330	\$238,114	\$65,124	\$172,990	\$260,489	\$87,499	\$87,499	\$87,499
Dec-06	\$229,252	\$231,544	\$14,698	\$246,243	\$56,056	\$190,186	\$224,225	\$34,038	\$34,038	\$34,038
<b>2006 Final</b>	<b>\$2,603,034</b>	<b>\$2,629,064</b>	<b>\$231,663</b>	<b>\$2,860,727</b>	<b>\$774,236</b>	<b>\$2,086,491</b>	<b>\$3,096,843</b>	<b>\$1,010,351</b>	<b>\$836,761</b>	<b>\$836,761</b>
Jan-07	\$244,171	\$246,613	\$14,698	\$261,311	\$56,056	\$205,255	\$224,225	\$18,970	\$18,970	\$18,970
Feb-07	\$218,386	\$220,570	\$14,698	\$235,268	\$56,056	\$179,212	\$224,225	\$45,013	\$45,013	\$45,013
Mar-07	\$219,449	\$221,643	\$14,698	\$236,342	\$56,056	\$180,285	\$224,225	\$43,939	\$43,939	\$43,939
Apr-07	\$220,517	\$222,722	\$14,698	\$237,421	\$56,056	\$181,364	\$224,225	\$42,861	\$42,861	\$42,861
May-07	\$222,669	\$223,806	\$14,698	\$238,505	\$56,056	\$182,448	\$224,225	\$41,776	\$41,776	\$41,776
Jun-07	\$224,842	\$224,896	\$14,698	\$239,594	\$56,056	\$183,538	\$224,225	\$40,687	\$40,687	\$40,687
Jul-07	\$225,991	\$225,991	\$14,698	\$240,689	\$56,056	\$184,633	\$224,225	\$39,592	\$39,592	\$39,592
Aug-07	\$227,136	\$227,136	\$14,698	\$241,789	\$56,056	\$185,733	\$224,225	\$38,492	\$38,492	\$38,492
Sep-07	\$228,284	\$228,196	\$14,698	\$242,894	\$56,056	\$186,838	\$224,225	\$37,387	\$37,387	\$37,387
Oct-07	\$229,436	\$229,307	\$14,698	\$244,005	\$56,056	\$187,949	\$224,225	\$36,276	\$36,276	\$36,276
Nov-07	\$228,141	\$230,423	\$14,698	\$245,121	\$56,056	\$189,065	\$224,225	\$35,160	\$35,160	\$35,160
Dec-07	\$229,252	\$231,544	\$14,698	\$246,243	\$56,056	\$190,186	\$224,225	\$34,038	\$34,038	\$34,038
<b>2007 Estimated</b>	<b>\$2,705,744</b>	<b>\$2,732,801</b>	<b>\$176,378</b>	<b>\$2,909,180</b>	<b>\$672,674</b>	<b>\$2,236,505</b>	<b>\$2,690,698</b>	<b>\$454,193</b>	<b>\$1,497,078</b>	<b>\$1,497,078</b>
					23.1%	76.9%				
<b>2008 Estimated</b>	<b>\$2,868,089</b>	<b>\$2,896,770</b>	<b>\$181,670</b>	<b>\$3,078,439</b>	<b>\$672,674</b>	<b>\$2,405,765</b>	<b>\$2,405,765</b>			
					21.9%	78.1%				
<b>2009 Estimated</b>	<b>\$3,040,174</b>	<b>\$3,070,576</b>	<b>\$181,670</b>	<b>\$3,252,245</b>	<b>\$672,674</b>	<b>\$2,579,571</b>	<b>\$2,579,571</b>			
					20.7%	79.3%				

Notes:

- Figures for February through December 2007 are estimated, and assume no change in enrollment.
- Incurred claims are estimated to be 1% higher than paid claims each month.
- Assumed trend for 2007-2009 is 6%.
- MetLife fees for 2007 incorporate the reduced \$3.74 PEFM fee.
- Dental fees are assumed to increase by 3% to \$3.83 for 2008 and 2009.
- The projected surplus / (deficit) changes each month because we have assumed Atmos' contributions will remain constant throughout the year, while claims will increase with trend each month.
- A true-up will be performed annually for Atmos' change in dental reserves.

*Atmos Energy Corporation*

*Atmos Energy Corporation Pension Account Plan*

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**Actuarial Valuation Report**

**Pension Cost for Fiscal Year Ending September 30, 2007**

**Employer Contributions for Plan Year Beginning January 1, 2006**

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*September 2006*

This report is confidential and intended solely for the information and benefit of the immediate recipient thereof. It may not be distributed to a third party unless expressly allowed under the "Actuarial Certification, Reliances and Distribution" section herein.

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## Financial Results

This report summarizes financial results for the Atmos Energy Corporation Pension Account Plan based on actuarial valuations as of January 1, 2006 and January 1, 2005.

	January 1, 2006	January 1, 2005
<b>FAS 87 Pension Cost</b>		
Amount	\$ 15,960,431	\$ 14,443,374
Percent of covered pay	7.8%	7.9%
<b>FAS 87 Funded Position</b>		
Accumulated benefit obligation [ABO]	\$ 306,410,210	\$ 337,645,521
Projected benefit obligation [PBO]	313,704,228	346,375,112
Fair value of assets [FV]	352,939,125	349,474,175
ABO funded percentage [FV ÷ ABO]	115.2%	103.5%
PBO funded percentage [FV ÷ PBO]	112.5%	100.9%
Prepaid (accrued) pension cost	\$ 99,610,282	\$ 114,053,656
<b>Employer Contributions</b>		
Minimum required	\$ 0	\$ 0
Percent of covered pay	0.0%	0.0%
Maximum deductible	\$ 164,547,811	\$ 28,371,698
Percent of covered pay	80.6%	15.4%
<b>ERISA Funded Position</b>		
Actuarial accrued liability [AAL]	\$ 266,735,726	\$ 256,635,449
Actuarial value of assets [AV]	327,519,681	322,010,628
AAL funded percentage [AV ÷ AAL]	122.8%	125.5%
Current liability funded percentage:		
▶ Highest allowable interest rate	107.7%	111.6%
▶ Minimum contribution	107.7%	111.6%
▶ Maximum deductible contribution	100.8%	93.6%



### **Discussion of Financial Results**

The financial results of the Atmos Energy Corporation Pension Account Plan were affected by the following factors:

- ▶ Investment returns during the prior year were higher than expected, which increased the funded percentage and decreased the pension cost and minimum required contribution.
- ▶ The bond yields on available high-quality bonds used in selecting the FAS 87 discount rate increased during the prior year resulting in a higher FAS 87 discount rate, which decreased the pension cost.
- ▶ The Pension Funding Equity Act of 2004 (PFEA) contained a number of funding relief provisions which expired at the end of the 2005 plan year. This Act raised the ceiling on interest rates used to calculate current liability. The provisions of this Act which raised the interest rate ceiling were extended for 2006.

## Highlights

### Economic Environment

The following bond yield indices provide information on the general interest rate environment:

	<b>June 30, 2006</b>	<b>June 30, 2005</b>
30-year Treasury	5.19%	4.19%
Merrill Lynch 10+ High Quality	6.34%	5.26%
Moody's Aa	6.14%	4.96%
Moody's Baa	6.91%	5.81%

In the year ended December 31, 2005, the plan's portfolio achieved a 9.4% investment return, while the capital markets performed as follows:

Large equities [S&P 500]	4.91%
Intermediate/small equities [Russell 2500]	8.11%
Non-U.S. equities [EAFE]	14.02%
Bonds [Lehman Brothers Aggregate]	2.43%
Cash equivalents [Citi 3 Month Treasury Bill]	3.00%

### Economic Assumptions

The discount rate for pension cost purposes is the rate at which the pension obligations could be effectively settled. This rate is developed from yields on available high-quality bonds and reflects the plan's expected cash flows.

The assumed rate of return on assets and salary increase rate assumptions both reflect long-term expectations. The assumed rate of return on assets for pension cost purposes is the weighted average of expected asset returns. The salary increase rate is based on current expectations of future pay increases. The assumptions selected by Atmos Energy Corporation for pension cost purposes are:

	<b>June 30, 2006</b>	<b>June 30, 2005</b>
Discount rate	6.30%	5.00%
Rate of return on assets	8.25%	8.50%
Salary increase rate	4.00%	4.00%

Assumptions used to determine statutory contribution limits must be reasonable taking into account the experience of the plan and reasonable expectations. The discount rate used to determine the normal cost and actuarial accrued liability is based on the long-term expected return on assets. The current liability interest rates must be within permissible ranges as issued by the IRS. These ranges and assumptions for contribution purposes are:

	<b>January 1, 2006</b>	<b>January 1, 2005</b>
Discount rate for normal cost and actuarial accrued liability	8.25%	8.50%
Current liability interest rates:		
▶ Minimum contributions:		
– Permissible range	5.19% to 5.77%	5.49% to 6.10%
– Selected rate	5.77%	6.10%
▶ Maximum deductible contributions:		
– Lowest permissible interest rate	5.19%	4.59%
– Selected rate	5.19%	4.59%
Salary increase rate	4.00%	4.00%

### **Demographic Assumptions**

The cost of providing plan benefits depends on demographic factors such as retirement, mortality, and turnover. Demographic assumptions used in the valuation were selected to reflect the experience of the covered population and reasonable expectations. If actual experience is more favorable than assumed, future plan costs will be lower. Alternatively, if actual experience is less favorable than assumed, future plan costs will be higher. The demographic assumptions have not changed since the prior valuation.

**Changes in Benefits Valued**

There have been no changes in benefits valued since the prior year other than increases in statutory pay and benefit limits.

**Legislative Changes**

There were no significant legislative changes impacting the plan since the prior year.

The Pension Funding Equity Act of 2004 (PFEA) contained a number of funding relief provisions which expired at the end of the 2005 plan year. This Act raised the ceiling on interest rates used to calculate current liability. The provisions of this Act which raised the interest rate ceiling were extended for 2006.

**PBGC Reporting Requirements**

Participants must be notified of the plan's funded position if the plan is required to pay a PBGC variable premium and the funded percentage is below a specified "gateway" percentage. No participant notice is required for 2006 because the plan is not required to pay a PBGC variable premium for 2006 and the plan's current liability funded percentage is above the "gateway" percentage for 2006.

Additional financial and actuarial information must be provided to the PBGC if, at the end of the year, all defined benefit plans within the controlled group have an unfunded vested liability of \$50 million or more using assumptions mandated by the PBGC. As of December 31, 2005, unfunded vested liabilities for all defined benefit plans within the controlled group were less than \$50 million. Consequently, reporting of additional financial and actuarial information was not required.

## **FAS 87 Pension Cost and Funded Position**

Pension cost is the amount recognized in Atmos Energy Corporation's financial statement as the cost of the pension plan and is determined in accordance with Financial Accounting Standard No. 87. The fiscal 2007 pension cost for the plan is \$15,960,431, or 7.8% of covered pay.

Under FAS 87, an important measure of funded position is a comparison of the fair value of assets to the accumulated benefit obligation (ABO). The ABO is the present value of accumulated benefits based on service and pay as of the measurement date.

The plan's ABO funded percentage is 115.2% as of July 1, 2006, based on the fair value of assets of \$352,939,125 and an ABO of \$306,410,210. Atmos Energy Corporation's balance sheet must reflect a minimum liability equal to the unfunded ABO for each pension plan with a funded percentage (fair value of assets divided by ABO) under 100%. To the extent that the minimum liability exceeds the accrued pension cost (or if a prepaid pension cost exists), an additional liability is recognized together with an offsetting intangible asset and/or a reduction in shareholders' equity (accumulated other comprehensive income).

The June 30, 2006 additional minimum liability was derived from the January 1, 2006 valuation results rolled forward to June 30, 2006. The results indicate an additional minimum liability of \$0 and a reduction in shareholders' equity of \$0.

## **Change in Pension Cost and Funded Position**

The pension cost increased from \$14,443,374 in fiscal 2006 to \$15,960,431 in fiscal 2007 because:

- ▶ Expected changes, based on prior year's assumptions, methods, plan provisions, and contributions, increased the pension cost \$158,730.
- ▶ Noninvestment experience increased the pension cost \$2,154,199.
- ▶ The return on the fair value of plan assets was 9.4% in fiscal 2006. The return on the market-related value of plan assets, which reflects gradual recognition of asset gains and losses over the past five years, was 6.8%, which increased the pension cost \$926,559.
- ▶ Assumption changes decreased the pension cost \$1,722,431.

The ABO funded percentage increased from 103.5% to 115.2%.

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## History of Pension Cost and Funded Position

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### History of Pension Cost and ABO Funded Percentage

----- Pension cost -----

<i>Fiscal year</i>	<i>Amount</i>	<i>Percent of covered pay</i>	<i>ABO funded percentage</i>	<i>Discount rate</i>
2007	\$ 15,960,431	7.8%	115.2%	6.30%
2006	14,443,374	7.9	103.5	5.00
2005	6,876,645	5.9	114.5	6.25
2004	2,167,271	1.8	100.0	6.00
2003	1,630,128	1.8	93.2	7.25

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The allocation of the fiscal 2006 pension cost to each business unit is shown in the table below:

<b>Business Unit</b>	<b>Fiscal 2007 Pension Cost</b>
Atmos Pipeline & Storage	\$ 468,503
Colorado-Kansas	1,216,966
Kentucky	980,068
Louisiana	1,635,270
Mid States	1,778,505
Mid Tex	5,579,231
MVG	892,509
Power Systems	27,161
Shared Services	2,015,802
West Texas	1,366,416
<b>TOTAL</b>	<b>\$ 15,960,431</b>

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The pension cost was allocated in proportion to the payroll of each business unit.

## **Employer Contributions and ERISA Funded Position**

The minimum required contribution for 2006 is \$0. The maximum deductible contribution under the Internal Revenue Code is \$164,547,811, or 80.6% of covered pay.

The funded position, on a contribution basis, is measured by comparing the actuarial value of assets with the actuarial accrued liability (AAL). The actuarial value of assets is a smoothed value that recognizes investment gains and losses over time. The AAL is the funding target, under ERISA, on which the employer contribution limits are based. As the funded percentage for a plan approaches or exceeds 100%, contributions to the plan may be restricted.

The plan's funded percentage (actuarial value of assets divided by AAL) is 122.8% as of January 1, 2006. This percentage is based on an actuarial value of assets of \$327,519,681 and an AAL of \$266,735,726.

## **Change in Contribution Requirements and Funded Position**

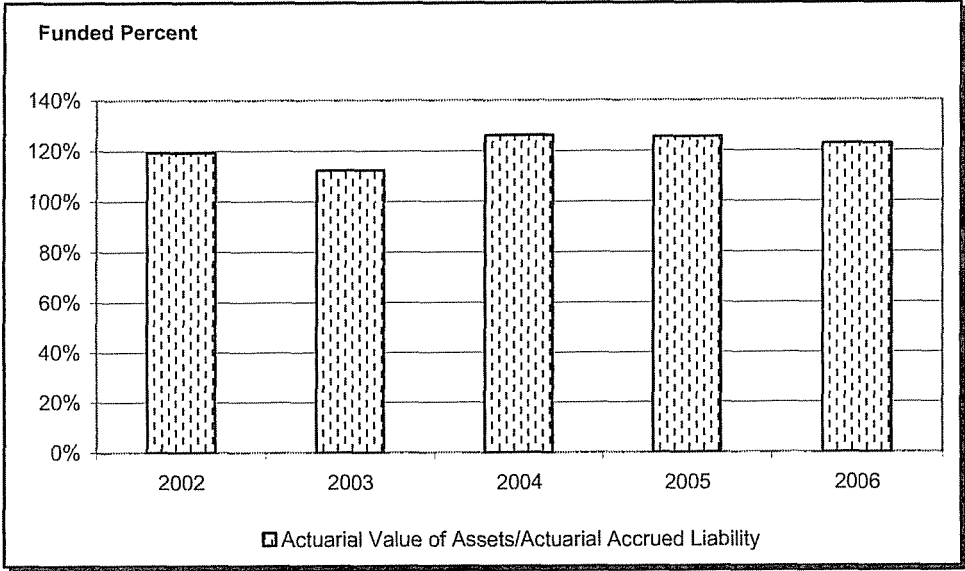
The minimum required contribution remained \$0 in 2006.

The AAL funded percentage decreased from 125.5% at January 1, 2005 to 122.8% at January 1, 2006.

**History of Employer Contributions and Funded Position**

The following chart shows the history of employer contributions and the funding range for 2006, as well as AAL funded position.

**History of Actuarial Accrued Liability and Actuarial Value of Assets**



**History of Employer Contributions and AAL Funded Percentage and Current Year's Funding Range**

----- Employer contributions -----

Year	Amount	Percent of covered pay	AAL funded percentage	Discount rate
2006:				
▶ Minimum	\$ 0	0.0%	122.8%	8.25%
▶ Maximum	164,547,811	80.6		
2005	0	0.0	125.5	8.50
2004	3,000,000	2.6	126.2	8.50
2003	51,236,816	43.0	112.4	8.50
2002	26,125,040	27.9	119.4	8.50



### **Current Liability**

An alternative measure of funded position compares the actuarial value of assets with the plan's current liability. The current liability is the present value of benefits accrued to the valuation date reflecting IRS restrictions on interest and mortality assumptions.

The Pension Funding Equity Act of 2004 (PFEA) contained a number of funding relief provisions which expired at the end of the 2005 plan year. This Act raised the ceiling on interest rates used to calculate current liability. The provisions of this Act which raised the interest rate ceiling were extended for 2006.

Current liability for minimum funding requirements is measured in two ways. The first measure is used to determine whether quarterly contribution requirements apply and to determine the amount of any applicable Additional Funding Requirements. The second measure is used to determine whether Additional Funding Requirements apply.

### **Timing of Contributions**

If the current liability funded percentage measured using the selected interest rate is below 100%, quarterly contributions may be required in the following plan year. The plan's current liability funded percentage on this basis is 107.7% as of January 1, 2006. This percentage is based on an actuarial value of assets of \$327,519,681 and a current liability of \$304,206,046. No quarterly contributions will be required for the 2007 plan year based on this year's valuation results and current pension legislation.

### **Additional Funding Requirements**

If the current liability funded percentage measured using the highest allowable interest rate is below 90%, additional funding requirements may be triggered. The plan's current liability funded percentage on this basis is 107.7% as of January 1, 2006. Therefore, the plan is exempt from the additional funding requirements for 2006.

## **Actuarial Certification, Reliances and Distribution**

Atmos Energy Corporation retained Towers Perrin to perform a valuation of its pension plan for the purpose of determining (1) its pension cost in accordance with FAS 87 and (2) the minimum required and maximum tax-deductible contributions in accordance with ERISA and allowed by the Internal Revenue code. This valuation has been conducted in accordance with generally accepted actuarial principles and practices.

The consulting actuary is a member of the Society of Actuaries and other professional actuarial organizations and meets their "General Qualification Standard for Prescribed Statements of Actuarial Opinions" relating to pension plans.

In preparing the results presented in this report, we have relied upon information provided to us regarding plan provisions, plan participants, and plan assets. We have reviewed this information for overall reasonableness and consistency, but have neither audited nor independently verified this information. The accuracy of the results presented in this report is dependent upon the accuracy and completeness of the underlying information.

The actuarial assumptions and the accounting policies and methods employed in the development of the pension cost have been selected by the plan sponsor, with the concurrence of Towers Perrin. FAS 87 requires that each significant assumption "individually represent the best estimate of a particular future event."

The actuarial assumptions and methods employed in the development of the contribution limits have been selected by Towers Perrin, with the concurrence of the plan sponsor. The Internal Revenue Code requires the use of assumptions "each of which is reasonable (taking into account the experience of the plan and reasonable expectations)" and "which, in combination, offer the actuary's best estimate of anticipated experience under the plan."

The results shown in this report have been developed based on actuarial assumptions that are considered to be reasonable and within the "best-estimate range" as described by the Actuarial Standards of Practice. Other actuarial assumptions could also be considered to be reasonable and within the best-estimate range. Thus, reasonable results differing from those presented in this report could have been developed by selecting different points within the best-estimate ranges for various assumptions.

The information contained in this report was prepared for the internal use of Atmos Energy Corporation and its auditors in connection with our actuarial valuation of the pension plan. It is neither intended nor necessarily suitable for other purposes. Atmos Energy Corporation may also distribute this actuarial valuation report to the appropriate authorities who have the legal right to require Atmos Energy Corporation to provide them this report, in which case Atmos Energy Corporation will use best efforts to notify Towers Perrin in advance of this distribution. Further distribution to, or use by, other parties of all or part of this report is expressly prohibited without Towers Perrin's prior written consent.

Chris Hutzler, FSA  
Principal

Towers Perrin

September 2006

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## Asset Values

### Asset Values for Calculating Pension Cost

Fair value, excluding contributions receivable:

▶ As of July 1, 2005	\$ 349,474,175
▶ Contributions	0
▶ Disbursements	(27,986,322)
▶ Investment return	<u>31,451,272</u>
▶ As of July 1, 2006	\$ 352,939,125
▶ Rate of return	9.4%

Market-related value:

▶ As of July 1, 2005	\$ 309,238,865
▶ As of July 1, 2006	301,190,148
▶ Rate of return	6.8%

### Asset Values for Calculating Employer Contributions

Market value, including contributions receivable:

▶ As of January 1, 2005	\$ 356,974,228
▶ Contributions	0
▶ Disbursements	(26,352,192)
▶ Investment return	<u>24,233,142</u>
▶ As of January 1, 2006	\$ 354,855,178
▶ Rate of return	7.1%

Actuarial value:

▶ As of January 1, 2005	\$ 322,010,628
▶ As of January 1, 2006	327,519,681
▶ Rate of return	10.3%
▶ Rate of return (assuming mid-year cash flow) for Schedule B of Form 5500	10.3%

## Basic Results for Pension Cost

	July 1, 2006	July 1, 2005
<b>Service Cost</b>	\$ 12,539,716	\$ 12,842,281
<b>Obligations</b>		
Accumulated benefit obligation [ABO]:		
▶ Participants currently receiving benefits	\$ 163,518,404	\$ 182,639,904
▶ Deferred inactive participants	23,819,457	35,989,097
▶ Active participants	<u>119,072,349</u>	<u>119,016,520</u>
Total ABO	\$ 306,410,210	\$ 337,645,521
Obligation due to future salary increases	<u>7,294,018</u>	<u>8,729,591</u>
Projected benefit obligation [PBO]	\$ 313,704,228	\$ 346,375,112
<b>Assets</b>		
Fair value [FV]	\$ 352,939,125	\$ 349,474,175
Unrecognized investment losses (gains)	<u>(51,748,977)</u>	<u>(40,235,310)</u>
Market-related value	\$ 301,190,148	\$ 309,238,865
<b>Funded Position</b>		
Unfunded PBO	\$ (39,234,897)	\$ (3,099,063)
Minimum liability [ABO – FV, minimum zero]	0	0
<b>Key Economic Assumptions</b>		
Discount rate	6.30%	5.00%
Rate of return on assets	8.25%	8.50%
Salary increase rate	4.00%	4.00%

**Fiscal 2006****Development of Prepaid (Accrued)  
Pension Cost as of June 30, 2006**

Prepaid (accrued) pension cost, as of June 30, 2005	\$ 114,053,656
Change during fiscal 2006:	
▶ Income (cost) recognized	(14,443,374)
▶ Employer contributions	0
▶ Curtailments, settlements, and termination benefits	<u>0</u>
Prepaid (accrued) pension cost, as of June 30, 2006	\$ 99,610,282

**July 1, 2006****July 1, 2005****Reconciliation of Funded Status**

Funded status [FV – PBO]	\$ 39,234,897	\$ 3,099,063
Unrecognized net actuarial loss (gain)	65,359,928	116,898,030
Unrecognized prior service cost (credit)	(4,984,543)	(5,943,437)
Unrecognized transition obligation (asset)	<u>0</u>	<u>0</u>
Prepaid (accrued) pension cost	\$ 99,610,282	\$ 114,053,656

**Balance Sheet Effects**

Prepaid pension cost	\$ 99,610,282	\$ 114,053,656
Accrued pension cost	0	0
Additional minimum liability	0	0
Intangible asset	0	0
Accumulated other comprehensive income	<u>0</u>	<u>0</u>
Balance sheet effect	\$ 99,610,282	\$ 114,053,656

The accumulated other comprehensive income has not been tax effected. Any tax effect should be separately recognized.

## Pension Cost

	Fiscal 2007	Fiscal 2006
<b>Pension Cost</b>		
Service cost	\$ 12,539,716	\$ 12,842,281
Interest cost	19,562,244	17,226,911
Expected return on assets	(23,556,275)	(25,047,926)
Amortization:		
▶ Transition obligation (asset)	0	0
▶ Prior service cost (credit)	(842,837)	(958,894)
• Net loss (gain)	<u>8,257,583</u>	<u>10,381,002</u>
Pension cost	\$ 15,960,431	\$ 14,443,374
Percent of covered pay	7.8%	7.9%
Per active participant	\$ 4,310	\$ 3,848

## Change in Pension Cost

Pension cost for fiscal 2006	\$ 14,443,374
Change from fiscal 2006 to fiscal 2007:	
▶ Expected based on prior valuation	158,730
▶ Loss (gain) from noninvestment experience	2,154,199
▶ Loss (gain) from asset experience	926,559
▶ Assumption changes	(1,722,431)
▶ Plan amendments	<u>0</u>
Pension cost for fiscal 2007	\$ 15,960,431

## Selected Financial Statement Disclosure Information

The following information was included in Atmos Energy Corporation's 2006 pension disclosures. This information was developed by adjusting the prior year's valuation results for the passage of time and other significant changes.

	<b>Fiscal 2006</b>	<b>Fiscal 2005</b>
<b>Change in Benefit Obligation</b>		
PBO, beginning of year	\$ 346,375,112	\$ 304,156,944
Service cost	12,842,281	9,947,077
Interest cost	17,226,911	18,830,596
Plan amendments	0	0
Actuarial loss (gain)	(34,753,754)	39,539,558
Benefits paid	(27,986,322)	(26,099,063)
Curtailments, settlements, and termination benefits	<u>0</u>	<u>0</u>
PBO, end of year	\$ 313,704,228	\$ 346,375,112
<b>Change in Plan Assets</b>		
Fair value of plan assets, beginning of year	\$ 349,474,175	\$ 341,679,866
Actual return on plan assets	31,451,272	30,893,372
Employer contributions	0	3,000,000
Participant contributions	0	0
Benefits paid	<u>(27,986,322)</u>	<u>(26,099,063)</u>
Fair value of plan assets, end of year	\$ 352,939,125	\$ 349,474,175

The accumulated benefit obligation was \$337,645,521 and \$306,410,210 at June 30, 2005 and June 30, 2006, respectively.



The following information was also included in Atmos Energy Corporation's pension disclosures.

	<b>June 30, 2006</b>	<b>June 30, 2005</b>
<b>Reconciliation of Funded Status</b>		
Funded status	\$ 39,234,897	\$ 3,099,063
Unrecognized net actuarial loss (gain)	65,359,928	116,898,030
Unrecognized prior service cost (credit)	(4,984,543)	(5,943,437)
Unrecognized transition obligation (asset)	<u>0</u>	<u>0</u>
Prepaid (accrued) pension cost	\$ 99,610,282	\$ 114,053,656
<b>Amount Recognized in Statement of Financial Position</b>		
Prepaid pension cost	\$ 99,610,282	\$ 114,053,656
Accrued pension cost	0	0
Additional minimum liability	0	0
Intangible asset	0	0
Accumulated other comprehensive income	<u>0</u>	<u>0</u>
Net amount recognized	\$ 99,610,282	\$ 114,053,656

The accumulated other comprehensive income has not been tax effected. Any tax effect would have been separately recognized.

## Present Value of Accumulated Plan Benefits for FAS 35

	January 1, 2006	January 1, 2005
<b>Actuarial Present Value of Accumulated Plan Benefits</b>		
Vested benefits:		
▶ Participants currently receiving benefits	\$ 144,950,979	\$ 143,658,474
▶ Other participants	<u>113,342,924</u>	<u>104,809,343</u>
▶ Total vested benefits	\$ 258,293,903	\$ 248,467,817
Nonvested benefits	<u>2,119,295</u>	<u>2,325,170</u>
Total accumulated benefits	\$ 260,413,198	\$ 250,792,987
Market value of assets	354,855,178	356,974,228

### Key Assumptions

Interest rate	8.25%	8.50%
Average retirement age	61	61
Mortality	RP2000 projected to 2010	RP2000 projected to 2010

### Change in Actuarial Present Value of Accumulated Plan Benefits

Actuarial present value of accumulated plan benefits as of January 1, 2005	\$ 250,792,987
Change from 2005 to 2006:	
▶ Additional benefits accumulated (including the effect of noninvestment experience)	11,031,332
▶ Interest due to decrease in the discount period	20,220,274
▶ Benefits paid	(26,352,192)
▶ Assumption changes	4,720,797
▶ Plan amendments	<u>0</u>
Actuarial present value of accumulated plan benefits as of January 1, 2006	\$ 260,413,198

## Basic Results for Employer Contributions

	January 1, 2006	January 1, 2005
<b>Normal Cost and Liabilities</b>		
Normal cost	\$ 9,453,869	\$ 8,412,311
Actuarial accrued liability [AAL]	266,735,726	256,635,449
Current liability [CL]:		
▶ Highest allowable interest rate	304,206,046	288,542,459
▶ Minimum funding	304,206,046	288,542,459
▶ Maximum deductible contribution	325,057,088	343,855,094
<b>Assets</b>		
Market value	\$ 354,855,178	\$ 356,974,228
Unrecognized investment losses (gains)	<u>(27,335,497)</u>	<u>(34,963,600)</u>
Actuarial value [AV]	\$ 327,519,681	\$ 322,010,628
<b>Funded Position</b>		
Unfunded actuarial accrued liability [AAL – AV]	\$ (60,783,955)	\$ (65,375,179)
AAL funded percentage [AV ÷ AAL]	122.8%	125.5%
CL funded percentage [AV ÷ CL]:		
▶ Highest allowable interest rate	107.7%	111.6%
▶ Minimum funding	107.7%	111.6%
▶ Maximum deductible contribution	100.8%	93.6%
<b>Key Economic Assumptions</b>		
Discount rate for normal cost and actuarial accrued liability	8.25%	8.50%
Current liability interest rates:		
▶ Highest allowable	5.77%	6.10%
▶ Minimum funding	5.77%	6.10%
▶ Maximum deductible contribution	5.19%	4.59%
Salary increase rate	4.00%	4.00%

## Minimum Required Employer Contribution

	January 1, 2006	January 1, 2005
<b>Minimum Required Employer Contribution</b>		
Normal cost	\$ 9,453,869	\$ 8,412,311
Amortization amounts	3,395,311	3,626,126
Interest adjustments	1,060,057	1,023,267
Additional funding charge	0	0
Credit balance with interest	<u>(78,198,440)</u>	<u>(85,300,448)</u>
Minimum required contribution before full funding limit	\$ 0	\$ 0
Minimum required contribution after full funding limit	0	0
Percent of covered pay	0.0%	0.0%
Per active participant	\$ 0	\$ 0

Additional details regarding the calculation of the minimum required employer contribution may be obtained from the Form 5500 Schedule B filings and attachments.

### Schedule of Employer Contributions

April 15	\$ 0	\$ 0
July 15	0	0
October 15	0	0
January 15 (following)	0	0
September 15 (following)	0	0

No quarterly contributions will be required for the 2007 plan year based on this year's valuation results under current pension legislation.

## Maximum Deductible Employer Contribution

	January 1, 2006	January 1, 2005
<b>Maximum Deductible Employer Contribution</b>		
Maximum deductible contribution before adjustments	\$ 10,031,363	\$ 8,941,595
Allowable deduction, the greatest of:		
▶ Maximum deductible contribution after full funding limit	0	0
▶ Contribution necessary to satisfy minimum funding standards	0	0
▶ Contribution necessary to fund 150% of current liability	164,547,811	28,371,698
Maximum deductible contribution	164,547,811	28,371,698
Percent of covered pay	80.6%	15.4%
Per active participant	\$ 44,436	\$ 7,560

### Change in Maximum Deductible Employer Contribution

Maximum deductible contribution for 2005	\$ 28,371,698
Change from 2005 to 2006:	
▶ Expected based on prior valuation	1,791,916
▶ Loss (gain) from noninvestment experience	2,152,080
▶ Loss (gain) from asset experience	(6,062,406)
▶ Assumption changes	(23,482,028)
▶ Changes in benefits valued	12,714
▶ Law change due to PPA 2006	<u>161,763,837</u>
Maximum deductible contribution for 2006	\$ 164,547,811

The timing of this deduction may be affected by the uniform capitalization rules. Deductibility of contributions to a defined contribution plan maintained for the same employees may be affected by the 25% of pay limitation for defined benefit and defined contribution plans combined.

## Actuarial Assumptions and Methods

	Pension Cost	Contributions
<b>Economic Assumptions</b>		
Discount rate	6.30%	8.25%
Interest crediting rate on cash balance account	5.30%	4.50%
Rate used to value benefits payable as a lump sum	5.30%	4.50%
Return on assets	8.25%	N/A
Current liability interest rate:		
▶ Highest allowable	N/A	5.77%
▶ Minimum funding	N/A	5.77%
▶ Maximum deductible contribution	N/A	5.19%
Annual rates of increase		
▶ Salaries:	4.00%	4.00%
▶ Future Social Security wage bases	3.50%	3.50%
▶ Statutory limits on compensation and benefits	3.00%	N/A
<b>Demographic Assumptions</b>		
Mortality		
▶ For monthly annuities	RP2000 White Collar with mortality improvement projected to 2010 using the AA Scale.	
▶ For lump sums	1994 Group Annuity Reserving	
Termination	Rates varying by age	
	<i>Age</i>	<i>Age</i>
	25	40
	.121	.047
		.022
Disability	Rates varying by age	
	<i>Age</i>	<i>Age</i>
	25	40
	.0006	.0010
		.0069

## Retirement

Rates varying by age

Sample rates:

<i>Age</i>	<i>Rate</i>
55	.05
56	.05
57	.05
58	.05
59	.10
60	.10
61	.15
62	.40
63	.30
64	.30
65	1.00

Form of payment

Life annuity

Administrative expense

None

Percentage married

100%

Percentage electing a lump sum

75%

Spouse age

Wives 2 years younger than husbands

Pay

10-year earnings history from 1996 to 2005

**Actuarial Methods**

Pension cost:

- ▶ Service cost and projected benefit obligation
- ▶ Market-related value of assets

Projected unit credit

The market related value of assets is the fair value of assets, adjusted to smooth out short-term market fluctuations. Realized and unrealized gains and losses are smoothed over a 5-year period.

Contributions:

- ▶ Normal cost and actuarial accrued liability
- ▶ Actuarial value of assets

Projected unit credit

The actuarial value of assets is the market value of assets, adjusted to smooth out short-term market fluctuations. Realized and unrealized gains and losses are smoothed over a 3-year period.

**Benefits Not Valued**

All benefits were valued.

**Change in Assumptions and Methods Since Prior Valuation**

- Pension cost
- ▶ The interest crediting and lump sum rates changed from 4.50% to 5.30%.
  - ▶ The expected return on assets changed from 8.50% to 8.25%.
- Contributions
- ▶ The selected current liability interest rate changed from 6.10% to 5.77% for minimum required contributions, and from 4.59% to 5.19% maximum deductible contributions. These rates are within the permissible ranges for these calculations.

**Data Sources**

Towers Perrin used asset data supplied by the trustee. The Atmos Energy Corporation furnished participant data. Data were reviewed for reasonableness and consistency, but no audit was performed. Assumptions or estimates were made by the Towers Perrin actuaries when data were not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.



## Participant Data

	January 1, 2006	January 1, 2005
<b>Active</b>		
Number	3,703	3,753
Average age	46.8	46.0
Average past service	17.1	16.4
Average future service	10.4	11.8
Covered pay:		
▶ Total	\$ 204,094,762	\$ 183,797,375
▶ Average	55,116	48,973
<b>Deferred Inactive</b>		
Number	926	987
Average age	50.8	50.7
Annual benefits:		
▶ Count	843	910
▶ Total	\$ 3,774,382	\$ 4,256,679
▶ Average	4,477	4,678
PAP Balances:		
▶ Count	83	77
▶ Total	\$ 4,825,672	\$ 6,585,197
▶ Average	58,141	85,522
<b>Currently Receiving Benefits</b>		
Number	1,731	1,733
Average age	71.3	70.7
Annual benefits:		
▶ Total	\$ 17,238,633	\$ 17,133,167
▶ Average	9,959	9,886
<b>Total Participants Included in Valuation</b>		
Number	6,360	6,473

**Atmos Energy Corporation  
Pension Account Plan**

**Completed Years of Service**

Age Nearest Birthday	Completed Years of Service							Total
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	
15 to 24	40 Number Average PAP Average Earnings	2 3,565 33,443						42 1,024 27,359
25 to 29	86 Number Average PAP Average Earnings	37 2,874 40,158	2 1,545 40,505					125 1,893 34,352
30 to 34	86 Number Average PAP Average Earnings	87 4,969 46,415	39 4,864 49,936	3 5,393 40,623				215 3,748 43,743
35 to 39	77 Number Average PAP Average Earnings	85 7,428 47,836	99 7,847 55,021	83 10,284 53,525	2 3,222 60,292			346 7,268 49,889
40 to 44	124 Number Average PAP Average Earnings	67 10,063 51,867	113 15,619 57,019	181 21,397 59,882	11 16,581 58,249	11 27,931 69,100		679 15,200 55,876
45 to 49	130 Number Average PAP Average Earnings	61 5,861 48,684	76 15,243 55,905	173 19,981 52,855	202 27,889 58,603	174 38,018 62,456	5 50,394 52,426	821 25,042 57,371
50 to 54	86 Number Average PAP Average Earnings	57 18,344 58,167	53 27,906 49,350	53 42,239 58,599	113 44,523 56,477	150 48,907 62,020	129 48,336 60,769	699 37,770 57,913
55 to 59	48 Number Average PAP Average Earnings	30 9,955 53,660	28 35,091 47,995	59 53,026 57,593	75 58,091 61,305	86 77,209 59,435	108 80,511 61,082	512 59,586 59,746
60 to 64	13 Number Average PAP Average Earnings	14 46,820 74,279	9 93,967 69,238	23 87,884 58,155	28 68,260 57,950	32 93,029 52,468	37 93,659 52,237	227 87,685 59,954
65 to 69	4 Number Average PAP Average Earnings	2 28,149 65,439	3 53,490 40,402	4 102,434 64,697	3 62,357 83,858	2 5,356 53,156	3 52,383 59,297	33 146,853 64,422
Over 69	1 Number Average PAP Average Earnings	1 13,150 15,879	1 4,335 43,515	1 4,335 43,515	1 4,335 43,515	1 4,335 43,515	1 4,335 43,515	4 103,865 34,289
Total	694 Number Average PAP Average Earnings	443 12,266 51,654	422 18,296 53,648	635 31,013 58,123	606 33,308 58,930	455 52,497 61,159	283 66,883 59,503	3,703 31,476 55,116

Average Age: 46.8  
Average Service: 17.1

**Plan Provisions**

**Effective Date** January 1, 1999.

**Covered Employees** All employees on the payroll of the Atmos Energy Corporation including leased employees, and excluding independent contractors.

**Participation Date** First day of the month coincident with or next following the date the employee completes 1000 hours during a 12-month period.

**Definitions**

**Vesting service** Total years of service from date of employment measured on an elapsed time basis.

**Benefit service** Total years of service from date of employment measured on an elapsed time basis.

**Merger Date** January 1, 1999 for Atmos, Greeley, UCG, and WKG. June 1, 2000 for ANG/Southwestern Energy, June 30, 2003 for MVG, October 1, 2004 for TXU Gas.

Pay credits	<i>Age + Years of Benefit Service</i>	<i>On all Pay</i>	<i>On Pay over the Wage Base</i>
	<35	2.35%	2.35%
35 - 49	3.25%	3.25%	
50 - 64	4.50%	4.50%	
65 - 79	6.25%	5.00%	
80 - 94	8.50%	5.00%	
95+	10.50%	5.00%	

## Additional pay credits

For UCG participants:

<i>Age on Merger Date</i>	<i>On all Pay</i>	<i>On Pay over the Wage Base</i>
<30	0%	0%
30 - 34	0%	0%
35 - 39	1%	1%
40 - 44	3%	3%
45+	4%	4%

For other participants:

<i>Age on Merger Date</i>	<i>On all Pay</i>	<i>On Pay over the Wage Base</i>
<30	0%	0%
30 - 34	1%	1%
35 - 39	2%	2%
40 - 44	3%	3%
45+	5%	5%

## Cash balance credits

The sum of:

- (i) the pay credits
- (ii) the additional pay credits

## Interest credits

Interest on the account balance at the beginning of each year at the equal to the 30-year Treasury bond rate in effect for the November preceding the first day of the plan year.

In no event will the interest rate be less than 4.6% or more than 7.0%.

## Opening balance

The age-62 benefit under the old final average pay plans multiplied by a deferred annuity factor using a 7.0% interest rate and the 1983 Group Annuity Mortality table blended 50% for males and 50% for females.

## Account balance

The sum of the Opening balance and the Cash balance credits both accumulated with Interest credits to a point in time.

Grandfathered benefit	<p>Participants age 50 on Merger Date are eligible to receive a benefit based on the sum of:</p> <ul style="list-style-type: none"> <li>▶ the accrued benefit as of the Merger Date adjusted for pay raises, and</li> <li>▶ the accrued benefit for service after the Merger Date based on the Atmos Energy Corporation prior plan formula.</li> </ul>
Annual pension benefit	<p>The greatest of:</p> <ul style="list-style-type: none"> <li>(i) the Account balance divided by an actuarial equivalent life annuity factor using 4.50% and the 1994 Group Annuity Reserving table</li> <li>(ii) the single life annuity optional form of the Grandfathered benefit</li> <li>(iii) the single life annuity optional form of the benefit accrued through the Merger Date based on the old final average pay formulas</li> </ul>
Earnings	<p>W-2 earnings, plus 401(k) deferrals and section 125 salary reduction. Earnings do not include expenses reimbursements or variable compensation.</p>
Normal retirement date (NRD)	<p>First of month next following the attainment of age 65 with five years of vesting service.</p>
Preretirement death benefit	<p>Account balance as of date of death.</p>

**Eligibility for Benefits**

Normal retirement	<p>Retirement on NRD.</p>
Early retirement	<p>Retirement before NRD and on or after both attaining age 55 and completing five years of vesting service.</p>
Postponed retirement	<p>Retirement after NRD.</p>
Deferred vested	<p>Termination for reasons other than death or retirement after completing five years of vesting service.</p>

Preretirement death benefit      Death after January 1, 1999.

### **Benefits Paid Upon the Following Events**

Normal retirement	Annual pension benefit determined as of NRD.
Early retirement	Annual pension benefit determined as of early retirement date.
Postponed retirement	Annual pension benefit determined as of actual retirement date.
Termination with deferred vested benefit	Account balance determined as of termination date, accumulated with interest credits to retirement age, and then divided by an actuarial equivalent life annuity factor using 4.50% and the 1994 Group Annuity Reserving table but not less than: <ul style="list-style-type: none"> <li>(i) the single life annuity optional form of the Grandfathered benefit</li> <li>(ii) the single life annuity optional form of benefit accrued through the Merger Date based on the old final average pay formulas</li> </ul>
Preretirement death benefits	Preretirement death benefit is payable as a lump sum or as a life annuity.
Forms of payment	Single life annuity, 5 years certain and life, 10 years certain and life, joint and survivor with 50%, 67%, 75%, or 100% continued to the spouse upon the participant's death. In addition, a participant may also elect a lump sum.
Maximum on benefits and pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective.

**Future Plan Changes**

No future plan changes were recognized in determining pension cost or in determining minimum and maximum contributions. Towers Perrin is not aware of any future plan changes which are required to be reflected.

**Changes in Benefits Valued Since Prior Year**

There have been no other changes in benefits valued since the prior year.

*Atmos Energy Corporation*  
*Postretirement Medical Plan*

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**Actuarial Valuation Report**

FAS 106 Postretirement Welfare Cost for  
Fiscal Year 2007

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*September 2006*

This report is confidential and intended solely for the information and benefit of the immediate recipient thereof. It may not be distributed to a third party unless expressly allowed under the "Actuarial Certification, Reliances and Distribution" section herein.



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## *Management Summary of Valuation Results*

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## Financial Results

This report summarizes the financial results for Atmos Energy's postretirement welfare plan based on actuarial valuations of the postretirement medical benefits as of July 1, 2006 and July 1, 2005.

	Fiscal Year 2007	Fiscal Year 2006
<b>FAS 106 Postretirement Welfare Cost</b>		
Amount	\$20,945,520	\$22,888,205
<b>FAS 106 Funded Position</b>		
Accumulated postretirement benefit obligation [APBO]	\$160,900,804	\$170,929,796
Fair value of assets [FV]	44,799,840	39,843,268
APBO funded percentage [FV ÷ APBO]	27.8%	23.3%
<b>Accrued Postretirement Benefit Cost*</b>		
	\$101,854,410	\$89,515,182
<b>Employer Cash Flow</b>		
Projected benefit payments and expenses, net of retiree contributions and net of estimated federal subsidy payments, plus employer contributions to VEBA trust	\$11,408,258	\$11,780,019

\* For accrued as of 9-30-2005 and 9-30-2006, employer net benefit payments, estimated subsidy payments, and contributions to the VEBAs for 6-30-2005 to 9-30-2005 and 6-30-2006 to 9-30-2006, respectively, need to be considered.

## Highlights

### Economic Assumptions

The following bond yields provide information on the general interest rate environment:

	<b>June 30, 2006</b>	<b>June 30, 2005</b>
Merrill Lynch 10+ year High Quality	6.34%	5.26%
Moody's Aa	6.14%	4.96%

The assumptions for postretirement welfare cost purposes are:

	<b>July 1, 2006</b>	<b>July 1, 2005</b>
Discount rate for obligations	6.30%	5.00%
Rate of return on assets	5.20%	5.30%

The discount rate for postretirement welfare cost purposes is the rate at which the postretirement welfare obligation could be effectively settled. The rate is developed from yields on available high-quality bonds and reflects the plan's expected cash flows.

### Health Care Cost Trend Rate Assumptions

Health care cost trend rate is the assumed rate of increase in per capita health care charges. It is disclosed in the company's financial statements.

The health care cost trend assumptions used in the valuation are:

	<b>July 1, 2006</b>		<b>July 1, 2005</b>	
	<i>Under age 65</i>	<i>Age 65 and over</i>	<i>Under age 65</i>	<i>Age 65 and over</i>
Fiscal 2006 trend	N/A	N/A	9.00%	9.00%
Fiscal 2007 trend	8.00%	8.00%	8.00%	8.00%
Ultimate trend	5.00%	5.00%	5.00%	5.00%
Fiscal year ultimate reached	2010	2010	2010	2010

## Retiree Health Care Costs

For retirees under age 65, the weighted average fiscal 2007 cost assumed in the current valuation was approximately 1% higher than the weighted average 2007 cost projected in the prior valuation. For retirees age 65 and over, the weighted average 2007 cost assumed in the current valuation was approximately 10% less than the weighted average 2007 cost projected in the prior valuation.

	All Other*		Mid States	
	Prior to age 65	Age 65 and after	Prior to age 65	Age 65 and after
Fiscal 2006 valuation:				
▶ FY 2006 assumed per capita cost (without Part D savings)	\$8,856	\$3,101	\$8,856	\$4,080
▶ FY 2006 assumed per capita cost (with savings due to Enhanced Part D plan)**	\$8,856	\$2,139	\$8,856	\$2,815
▶ Assumed trend	9%	9%	9%	9%
▶ FY 2007 expected per capita cost	\$9,653	\$2,332	\$9,653	\$3,068
Fiscal 2007 valuation:				
▶ FY 2007 assumed per capita cost**	\$9,760	\$2,163	\$9,760	\$2,499

\* See Mississippi Valley Gas section for the per capita costs for the BCBS MS plan.

\*\* Does not include standard Part D premium, which is paid entirely by the Medicare-eligible retiree or dependent.

## Other Events

- ▶ The Columbus, GA division has deunionized and been incorporated into the Mid States division.
- ▶ The Power Systems division has been incorporated into the Shared Services division.
- ▶ January 1, 2004, Atmos Energy Corporation recognized the savings due to the passage of the Medicare Prescription Drug Improvement and Modernization Act of 2003.

## **Demographic Assumptions**

The cost of providing plan benefits depends on demographic factors such as retirement, mortality, turnover, and plan participation. Demographic assumptions used in the valuation were selected to reflect the experience of the covered population and reasonable expectations. If actual experience is more favorable than assumed, plan costs will be lower. Alternatively, if actual experience is less favorable than assumed, future plan costs will be increased.

## **Plan Changes**

Minor modifications to the plan benefits were implemented January 1, 2006. In conjunction with the effective date of Medicare Part D, an Enhanced Part D prescription drug plan for Medicare-eligible retirees and dependents was implemented for all Atmos retirees, except those in the MVG BCBS MS plan.

Atmos will apply for the federal subsidy payments for MVG Medicare-eligible retirees and dependents who are covered under the BCBS MS plan.

## **Legislative Changes**

December 8, 2003, the Medicare Prescription Drug Improvement and Modernization Act of 2003 was signed into law. The effect of this Act has reduced the future liability for retiree medical benefits. The estimated impact of this Act was recognized by Atmos as of January 1, 2004.

## **Financial Reporting Changes**

This report reflects the disclosure format required by FAS 132.

## **FAS 106 Postretirement Welfare Cost**

Postretirement welfare cost is the amount recognized in the company's financial statement as the cost of postretirement welfare plans and is determined in accordance with Financial Accounting Standard No. 106. The fiscal 2007 postretirement welfare cost for the plan is \$20,945,520.

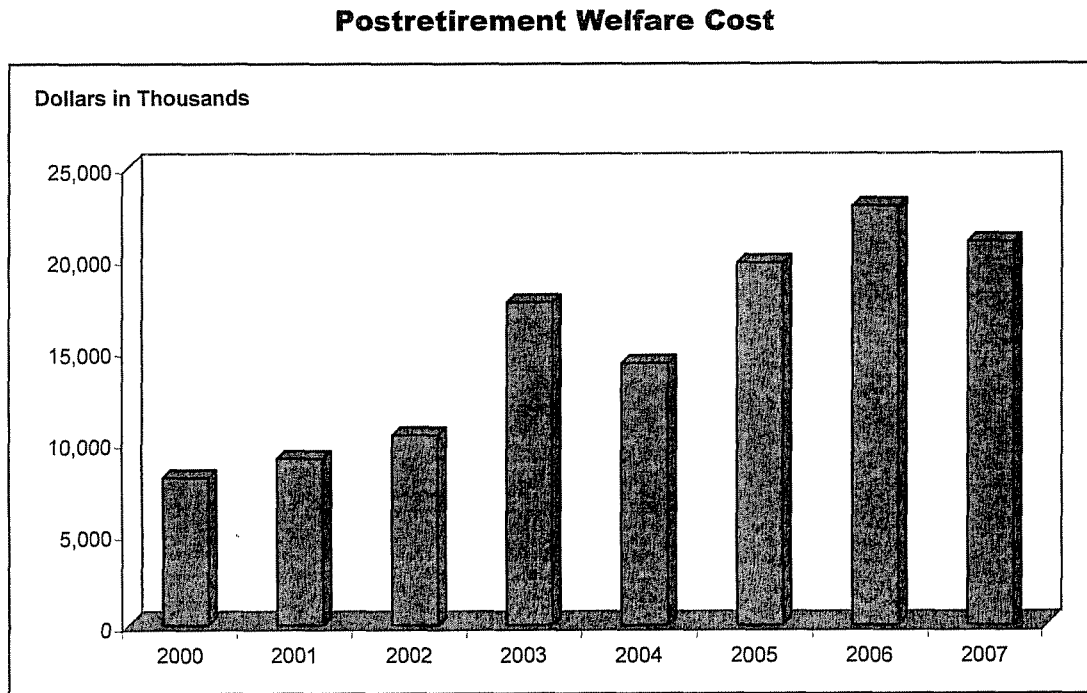
### **Change in Postretirement Welfare Cost**

The postretirement welfare cost decreased from \$22,888,205 in fiscal 2006 to \$20,945,520 in fiscal 2007 because:

- ▶ Expected changes based on prior year's population and assumptions increased the cost \$1,166,648.
- ▶ Non-investment experience, including updated census information, decreased the postretirement welfare cost (\$1,157,825).
- ▶ Assumption changes, including changing the discount rate, decreased the postretirement welfare cost (\$1,951,508).
- ▶ The net decrease in postretirement welfare cost is (\$1,942,685) or 8.5% under fiscal 2006.

## History of Postretirement Welfare Cost

The chart below shows the postretirement welfare cost:



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### History of Postretirement Welfare Cost

<i>Fiscal year</i>	<i>Amount</i>	<i>Discount rate</i>
2007	\$20,945,520	6.30%
2006	\$22,888,205	5.00%
2005	\$19,785,909	6.25%
2004	\$14,305,063	6.19%
2003	\$17,624,416	7.25%
2002	\$10,362,264	7.50%
2001	\$9,086,473	8.00%
2000	\$8,059,600	7.50%



## Employer Contributions

Employer cash flow is comprised of two components:

- ▶ Benefit payments (amount paid to provide benefits, net of retiree contributions and federal subsidy payments), and
- ▶ Employer contributions to the VEBA trust for some of the business units.

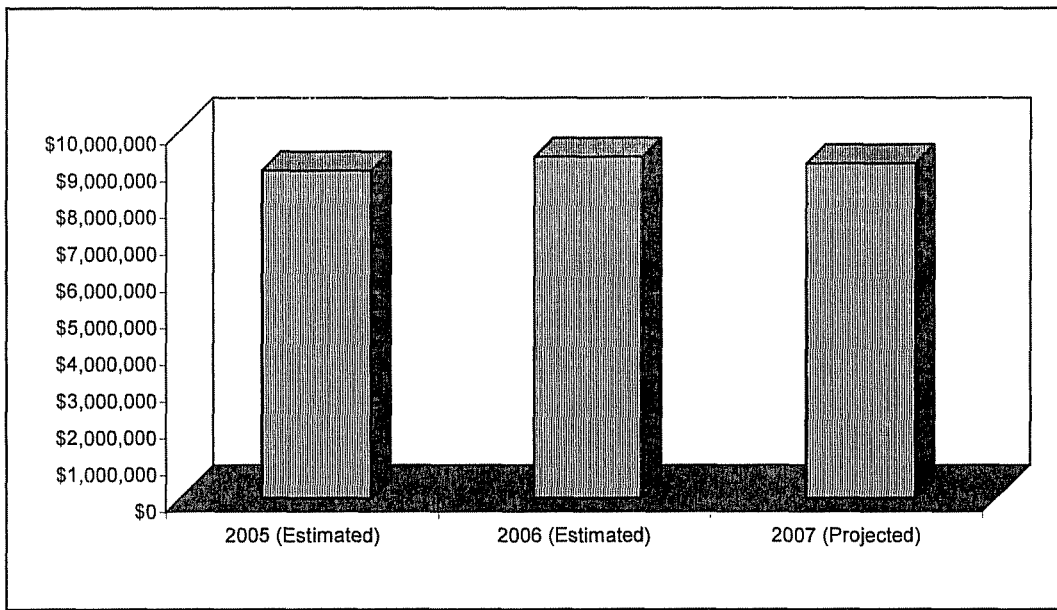
### Benefit Payments

Retirees are required to contribute toward the cost of benefits. Retiree contributions for fiscal 2007 are estimated to be 19.6% of the total cost of benefits.

For fiscal 2006, the estimated employer benefit payments were \$9,295,403.

For fiscal 2007, the projected employer benefit payments are \$9,112,954.

### Benefit Payments



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### History of Employer Benefit Payments

<i>Fiscal Year</i>	<i>Benefit Payments</i>
2007 (Projected)	\$9,112,954
2006 (Estimated)	\$9,295,403
2005 (Estimated)	\$8,923,639

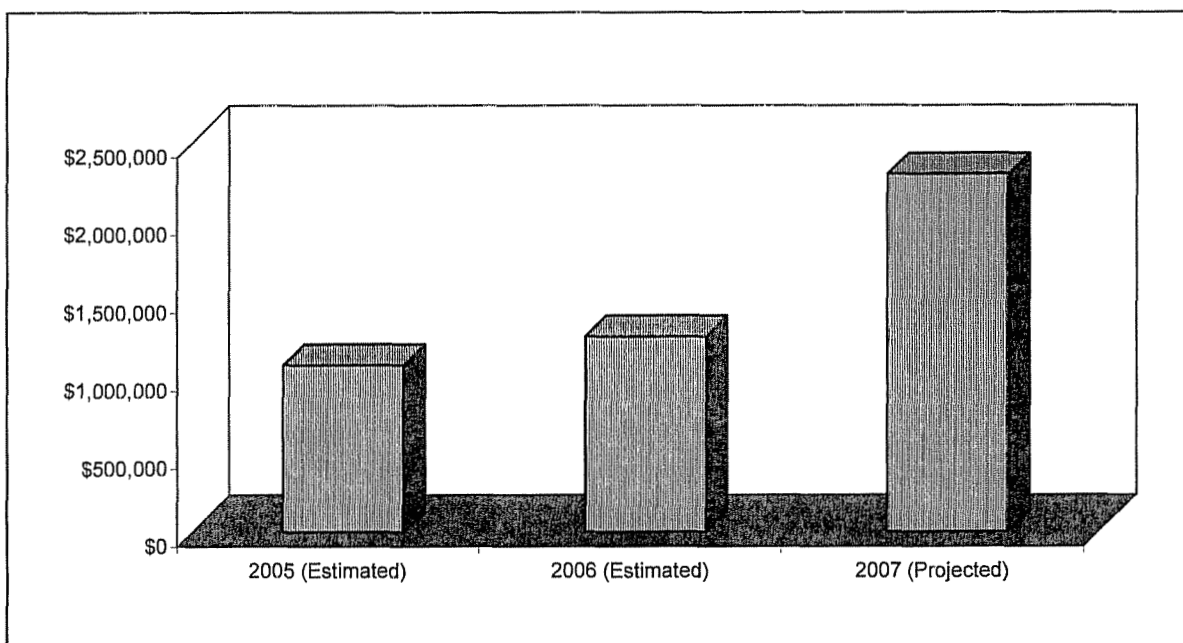
### Employer Contributions to VEBA Trust

Atmos Energy funds retiree medical for four business units through a VEBA trust. Typically, Atmos Energy contributes an amount equal to the annual postretirement welfare cost, less benefit payments for each of the selected business units.

For fiscal 2006, the estimated contribution for the VEBA trusts was \$1,253,574.

For fiscal 2007, the projected contribution to the VEBA trusts is approximately \$2,295,304.

### Employer Contributions



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### History of Employer Contributions to VEBA Trust

<i>Fiscal Year</i>	<i>Benefit Payments</i>
2007 (Projected)	\$2,295,304
2006 (Estimated)	\$1,253,574
2005 (Estimated)	\$1,069,156

## Actuarial Certification

Atmos Energy Corporation retained Towers Perrin to perform a valuation of its postretirement welfare benefit plans for the purpose of determining its postretirement welfare cost in accordance with FAS 106. This valuation has been conducted in accordance with generally accepted actuarial principles and practices.

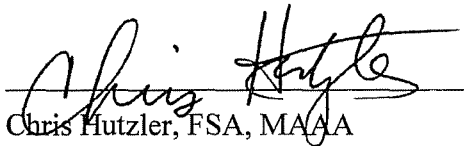
The consulting actuaries are members of the Society of Actuaries and other professional actuarial organizations and meet their "General Qualification Standard for Public Statements of Actuarial Opinion" relating to the postretirement welfare plans.

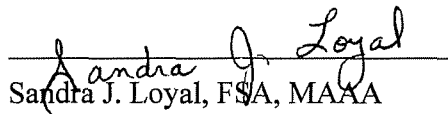
In preparing the results presented in this report, we have relied upon information provided to us regarding plan provisions, plan participants, and plan assets. We have reviewed this information for overall reasonableness and consistency, but have neither audited nor independently verified this information. The accuracy of the results presented in this report is dependent upon the accuracy and completeness of the underlying information.

The actuarial assumptions and the accounting policies and methods employed in the development of the postretirement welfare cost have been selected by the plan sponsor, with the concurrence of Towers Perrin. FAS 106 requires that each significant assumption "individually represent the best estimate of a particular future event."

The results shown in this report have been developed based on actuarial assumptions that are considered to be reasonable and within the "best-estimate range" as described by the Actuarial Standards of Practice. Other actuarial assumptions could also be considered to be reasonable and within the best-estimate range. Thus, reasonable results differing from those presented in this report could have been developed by selecting different points within the best-estimate ranges for various assumptions.

The information contained in this report was prepared for the internal use of Atmos Energy and its auditors in connection with our actuarial valuation of the postretirement welfare plan. It is neither intended nor necessarily suitable for other purposes. Atmos Energy may also distribute this actuarial valuation report to the appropriate authorities who have the legal right to require Atmos Energy to provide them with this report, in which case Atmos Energy will use best efforts to notify Towers Perrin in advance of this distribution. Further distribution to, or use by, other parties of all or part of this report is expressly prohibited without Towers Perrin's prior written consent.

  
Chris Hutzler, FSA, MAAA  
Principal

  
Sandra J. Loyal, FSA, MAAA  
Senior Consultant

Towers Perrin  
September 2006

**TOTAL FOR ALL BUSINESS UNITS**

***Supplemental Information***

*Basic Results for Postretirement Welfare Cost*..... *SI-1*

*Postretirement Welfare Cost*..... *SI-5*

*Information for the Deferred Tax Calculation*..... *SI-6*

*Selected Financial Statement Disclosure Information* ..... *SI-7*

*Employer Cash Flow*..... *SI-8*

*Actuarial Assumptions and Methods* ..... *SI-9*

*Participant Data* ..... *SI-13*

*Plan Provisions*..... *SI-14*

## Basic Results for Postretirement Welfare Cost

	Fiscal Year 2007	Fiscal Year 2006
<b>Service Cost</b>	\$11,228,174	\$13,083,418
<b>Accumulated Postretirement Benefit Obligation [APBO]</b>		
▶ Current retirees	\$82,882,920	\$89,839,714
▶ Other participants fully eligible for benefits	5,744,044	6,001,915
▶ Other active participants	<u>72,273,840</u>	<u>75,088,167</u>
▶ Total	\$160,900,804	\$170,929,796
<b>Additional Obligation for Future Service</b>	\$87,153,949	\$104,768,841
<b>Expected Postretirement Benefit Obligation (EPBO)</b>	\$248,054,753	\$275,698,637
<b>Funded Status</b>		
▶ Fair value of assets (FV)	\$44,799,840	\$39,843,268
▶ Unfunded APBO (APBO - FV)	116,100,964	131,086,528
▶ APBO funded percentage (FV ÷ APBO)	27.8%	23.3%

**Fiscal Year 2007      Fiscal Year 2006**

**Key Economic Assumptions**

Discount rate	6.30%	5.00%
Rate of return on assets	5.20%	5.30%
Health care cost trend rate, under age 65:		
▶ First year	8.00%	9.00%
▶ Ultimate	5.00%	5.00%
▶ Fiscal year ultimate reached	2010	2010
Health care cost trend rate, age 65 and over:		
▶ First year	8.00%	9.00%
▶ Ultimate	5.00%	5.00%
▶ Fiscal year ultimate reached	2010	2010

**Development of Prepaid (Accrued)  
Postretirement Benefit Cost\***

Prepaid (accrued) postretirement benefit cost, beginning of period	\$(89,515,182)
Changes during fiscal year period:	
▶ Income (cost) recognized	(22,888,205)
▶ Employer contributions	10,548,977
▶ Acquisition	<u>0</u>
Prepaid (accrued) postretirement benefit*	\$(101,854,410)

\* *In both the beginning of period and end of period respectively, employer net benefit payments, estimated subsidy payments, and contributions to the VEBAs must be considered for June 30 through September 30 in order to establish the accrued amount as of September 30 for both the beginning of period and end of period.*

	July 1, 2006	July 1, 2005
<b>Reconciliation of Funded Status</b>		
Funded status [FV – APBO]	\$(116,100,964)	\$(131,086,528)
Unrecognized net actuarial loss (gain)	3,059,854	28,512,246
Unrecognized prior service cost (credit)	33,200	394,400
Unrecognized transition obligation (asset)	<u>11,153,500</u>	<u>12,664,700</u>
Prepaid (accrued) postretirement benefit cost*	\$(101,854,410)	\$(89,515,182)

<b>Change in Actuarial Present Value of Benefit Obligation</b>		
Actuarial present value of benefit obligation as of July 1, 2005		\$170,929,796
Change from 2005 to 2006		
▶ Additional benefits accumulated		\$13,083,418
▶ Effect of time value of money		8,893,672
▶ Benefits paid		(9,295,403)
▶ Assumption change (discount rate)		(21,234,898)
▶ Demographic changes and experience		(1,421,781)
Actuarial present value of benefit obligation as of July 1, 2006		\$160,900,804

\* For accrued as of 9-30-2005 and as of 9-30-2006, employee net benefit payments, estimated subsidy payments, and contributions to the VEBAs for 6-30-2005 to 9-30-2005 and 6-30-2006 to 9-30-2006, respectively, need to be considered.



## Postretirement Welfare Cost

	Fiscal Year 2007	Fiscal Year 2006
<b>Postretirement Welfare Cost</b>		
Service cost	\$11,228,174	\$13,083,418
Interest cost	10,561,446	8,839,672
Expected return on assets	(2,388,500)	(2,187,600)
Amortization:		
▶ Transition obligation (asset)	1,511,200	1,511,200
▶ Prior service cost (credit)	33,200	361,200
▶ Net loss (gain)	<u>0</u>	<u>1,280,315</u>
Postretirement welfare cost	\$20,945,520	\$22,888,205

## Information for the Deferred Tax Calculation

The following information is provided for purposes of determining the deferred portion of the tax provision and the deferred tax asset associated with the postretirement welfare cost for Mississippi Valley Gas retirees in the BCBS MS plan (Union retirees and non-Union retirees prior to acquisition).

	<b>Excluding MMA Subsidy</b>	<b>Including MMA Subsidy***</b>
<b>Postretirement Welfare Cost*</b>		
Fiscal year 2006	\$22,888,205	\$22,888,205
Fiscal year 2007	\$20,945,520	\$20,940,520
<b>Development of Prepaid (Accrued) Postretirement Benefit Cost as of June 30, 2006</b>		
Prepaid (accrued) postretirement benefit cost as of June 30, 2005**	\$(89,515,182)	\$(89,515,182)
Changes during fiscal year 2006:		
▶ Postretirement welfare cost	(22,888,205)	(22,888,205)
▶ Net benefits (employer contributions)	<u>10,488,977</u>	<u>10,548,977</u>
Prepaid (accrued) postretirement benefit cost as of June 30, 2006**	\$(101,914,410)	\$(101,854,410)
<b>Reconciliation of Funded Status</b>		
Funded status	\$(116,227,964)	\$(116,100,964)
Unrecognized net actuarial loss (gain)	3,126,854	3,059,854
Unrecognized prior service cost (credit)	33,200	33,200
Unrecognized transition obligation (asset)	<u>11,153,500</u>	<u>11,153,500</u>
Prepaid (accrued) postretirement benefit cost as of June 30, 2006**	\$(101,914,410)	\$(101,854,410)

\* The effect of the subsidy for MVG was first included in Atmos' FAS expense in fiscal year 2007.

\*\* In both the beginning of period and end of period respectively, employer net benefit payments, estimated subsidy payments, and contributions to the VEBAs must be considered for June 30 through September 30 in order to establish the accrued amount as of September 30 for both the beginning of period and end of period.

\*\*\* Subsidy payments are estimated.

## Selected Financial Statement Disclosure Information

The following information was used in the postretirement welfare benefit disclosures.

	Fiscal Year 2006	Fiscal Year 2005
<b>Change in Benefit Obligation</b>		
APBO, beginning of year	\$170,929,796	\$125,189,578
Service cost	13,083,418	9,968,215
Interest cost	8,839,672	9,369,156
Participant contributions	1,339,365	2,130,479
Plan amendments	0	0
Actuarial loss (gain)	(22,656,679)	16,448,692
Total benefits paid	(10,694,768)	(11,054,118)
Estimated subsidy payments from RDS**	60,000	N/A
Acquisitions/divestiture	<u>0</u>	<u>18,877,794</u>
APBO, end of year	\$160,900,804	\$170,929,796

	June 30, 2006	June 30, 2005
<b>Reconciliation of Funded Status</b>		
Funded status	\$(116,100,964)	\$(131,086,528)
Unrecognized net actuarial loss (gain)	3,059,854	28,512,246
Unrecognized prior service cost (credit)	33,200	394,400
Unrecognized transition obligation (asset)	<u>11,153,500</u>	<u>12,664,700</u>
Prepaid (accrued) postretirement benefit cost*	\$(101,854,410)	\$(89,515,182)

\* The net employer contributions for 6/30/2005 to 9/30/2005, including contributions to the VEBAs, are not yet known and, therefore, the accrued amount as of 9/30/2005 has not been determined..

\*\* Estimated payments for January 1, 2006 through June 30, 2006.

## Employer Cash Flow

	Fiscal Year 2007	Fiscal Year 2006
<b>Projected Employer Cash Flow</b>		
Gross benefits and expenses	\$11,488,773	\$11,994,472
Retiree contributions	2,248,819	3,025,670
Estimated subsidy	<u>127,000</u>	<u>90,000</u>
Employer benefit disbursements	\$9,112,954	\$8,878,802
Employer VEBA contributions	<u>2,295,304</u>	<u>2,901,217</u>
Total employer cash flow	\$11,408,258	\$11,780,019

## Actuarial Assumptions and Methods

### Economic Assumptions

Discount rate	6.30%
Expected return on assets	5.20%
Salary increase rate	4.00%

### Medical Benefit Assumptions

	Age	Grandfathered Mid States (UCG)	<u>All others*</u>
Average per capita claims cost:			
▶ Prior to age 65	< 55	\$7,146	\$7,146
	55 - 59	8,516	8,516
	60 - 64	10,848	10,848
▶ Age 65 and after (net of Medicare and Part D premium)	65 - 69	2,060	1,783
	70 - 74	2,300	1,991
	75 - 79	2,444	2,116
	80 - 84	2,496	2,160
	85 - 89	2,595	2,246
	≥ 90	2,499	1,887

\* Excludes BCBS MS plan. See Mississippi Valley Gas for that plan's per capita claims costs.

Per capita claims cost development:

Average per capita claims costs were developed using medical paid claims for retirees and their spouses through May 2006 and enrollment for the same period. The incurred per capita costs for that time period were then trended forward to the valuation year. Administrative fees were added.

### Dental Benefit Assumptions\*\*

Average per capita claims cost:	Age	Amount
▶ Overall average	<65	\$335
	65+	\$335

Medical/dental plan trend rate:

- ▶ Benefit costs prior to age 65 8.00% in fiscal year 2007: reducing 1.0% per year, reaching 5.00% in fiscal year 2010 and after.
- ▶ Benefit costs age 65 and later 8.00% in fiscal year 2007: reducing 1.0% per year, reaching 5.00% in fiscal year 2010 and after.

*\*\* Dental benefits are provided to pre-1998 UCG retirees and pre-October 1, 2000 ANG retirees only.*

Retiree contributions trend rate	Same as applicable medical plan trend rate. The pre-65 cost-sharing for new retirees* also increases 1 percentage point per year until the target cost sharing of 20% is reached in fiscal year 2008.
Administrative expenses	Included in above per capita costs.

\* *New retirees are those who retire on or after January 1, 1998 for all divisions except for ANG and LGS. For ANG, new retirees are those who retire on or after October 1, 2000 and for LGS for those who retire on or after April 1, 2001.*

## Demographic Assumptions

### Mortality:

- ▶ Healthy RP 2000 White Collar with Mortality Improvement Projected to 2010
- ▶ Disabled RP 2000 White Collar with Mortality Improvement Projected to 2010

### Termination

Rates varying by age and service.

Sample rates:

	Age	Age	Age
	25	40	55
Rate	12.1%	4.7%	2.2%

### Retirement

Sample rates:

Age	Rate
55-58	5%
59-60	10%
61	15%
62	40%
63-64	30%
65	100%

Percentage covering spouses

70%

Spouse ages

Wives 2 years younger than husbands.

Participation rates

	Participant	Dependent
Medical	95%	95%

## Actuarial Methods

Service cost and APBO

Projected unit credit actuarial cost method, allocated in equal amounts from the valuation date on or after the later of age 45 or date of hire to full eligibility date except for MVG Union employees whose allocations begin at date of hire.

## Benefits Not Valued

All benefits described in the summary of plan provisions were valued.

## Change in Assumptions and Methods Since Prior Valuation

The discount rate for benefit obligations was changed from 5.00% to 6.30%.



**Data Sources**

The company furnished participant data as of July 2006, claims data through May 2006 and the accrued postretirement benefits cost as of June 30, 2006. Data were reviewed for reasonableness and consistency, but no audit was performed. Assumptions or estimates were made by Towers Perrin when data were not available. Towers Perrin is not aware of any errors or omissions in the data that would have a significant effect on the results of our calculation.

## Participant Data

	July 1, 2006	July 1, 2005
<b>Active</b>		
Number:		
▶ Fully eligible for benefits	122	111
▶ Other	<u>2,429</u>	<u>2,324</u>
▶ Total	2,551	2,435
Average age	52.3	52.1
Average past service	15.0	14.8
Average future service:		
• To full eligibility age	8.7	9.2
• To expected retirement	9.1	10.1
<b>Currently Receiving Benefits*</b>		
Retired participants and surviving spouses:		
▶ Number:		
– Under age 65	368	345
– Age 65 and over	<u>1,211</u>	<u>1,203</u>
– Total	1,579	1,548
▶ Average age	71.6	71.3
Dependents:		
▶ Number:		
– Under age 65	323	306
– Age 65 and over	<u>509</u>	<u>534</u>
– Total	832	840
▶ Average age	67.7	67.4

\* July 1, 2006 data includes 60 participants who elected the Enhanced Part D Plan only.

## **Plan Provisions**

See Supplemental Information sections for each business unit.

# **WEST TEXAS**

## ***Supplemental Information***

<b><i>Basic Results for Postretirement Welfare Cost.....</i></b>	<b><i>SI-1</i></b>
<b><i>Postretirement Welfare Cost.....</i></b>	<b><i>SI-3</i></b>
<b><i>Actuarial Assumptions and Methods .....</i></b>	<b><i>SI-4</i></b>
<b><i>Participant Data .....</i></b>	<b><i>SI-7</i></b>
<b><i>Plan Provisions.....</i></b>	<b><i>SI-8</i></b>

## Basic Results for Postretirement Welfare Cost

	Fiscal Year 2007	Fiscal Year 2006
<b>Service Cost</b>	\$1,014,854	\$1,211,235
<b>Accumulated Postretirement Benefit Obligation [APBO]</b>		
▶ Current retirees	\$15,641,398	\$19,083,995
▶ Other participants fully eligible for benefits	441,986	471,443
▶ Other active participants	<u>7,568,063</u>	<u>8,452,412</u>
▶ Total	\$23,651,447	\$28,007,850
<b>Additional Obligation for Future Service</b>	\$8,027,868	\$9,249,138
<b>Expected Postretirement Benefit Obligation (EPBO)</b>	\$31,679,315	\$37,256,988
<b>Funded Status</b>		
▶ Fair value of assets (FV)	\$0	\$0
▶ Unfunded APBO (APBO - FV)	\$23,651,447	\$28,007,850
▶ APBO funded percentage (FV ÷ APBO)	0%	0%

**Fiscal Year 2007      Fiscal Year 2006**

**Key Economic Assumptions**

Discount rate	6.30%	5.00%
Health care cost trend rate, under age 65:		
▶ First year	8.00%	9.00%
▶ Ultimate	5.00%	5.00%
▶ Fiscal year ultimate reached	2010	2010
Health care cost trend rate, age 65 and over:		
▶ First year	8.00%	9.00%
▶ Ultimate	5.00%	5.00%
▶ Fiscal year ultimate reached	2010	2010

## Postretirement Welfare Cost

	Fiscal Year 2007	Fiscal Year 2006
<b>Postretirement Welfare Cost</b>		
Service cost	\$1,014,854	\$1,211,235
Interest cost	1,498,876	1,414,506
Expected return on assets	0	0
Amortization:		
▶ Transition obligation (asset)	495,000	495,000
▶ Prior service cost (credit)	0	140,800
▶ Net loss (gain)	<u>0</u>	<u>209,787</u>
Postretirement welfare cost	\$3,008,730	\$3,471,328

## Actuarial Assumptions and Methods

### Economic Assumptions

Discount rate	6.30%
Expected return on assets	5.20%
Salary increase rate	4.00%

### Medical Benefit Assumptions

Average per capita claims cost:	Age	<u>Amount</u>
▶ Prior to age 65	< 55	\$7,146
	55 - 59	8,516
	60 - 64	10,848
▶ Age 65 and after (net of Medicare and Part D premium)	65 - 69	1,783
	70 - 74	1,991
	75 - 79	2,116
	80 - 84	2,160
	85 - 89	2,246
	≥ 90	1,877

#### Medical plan trend rate:

- ▶ Benefit costs prior to age 65      8.00% in fiscal year 2007: reducing 1.0% per year reaching 5.00% in fiscal year 2010 and after.
- ▶ Benefit costs age 65 and later      8.00% in fiscal year 2007: reducing 1.0% per year reaching 5.00% in fiscal year 2010 and after.

#### Retiree contributions trend rate

Same as applicable medical plan trend rate.

The pre-65 cost-sharing for new retirees after 1998 also increases 1 percentage point per year until the target cost sharing of 20% is reached in fiscal year 2008.

#### Administrative expenses

Included in above per capita costs.



## Demographic Assumptions

### Mortality:

▶ Healthy

RP 2000 White Collar with Mortality Improvement Projected to 2010

▶ Disabled

RP 2000 White Collar with Mortality Improvement Projected to 2010

### Termination

Rates varying by age and service.

Sample rates:

	Age	Age	Age
	25	40	55
Rate	12.1%	4.7%	2.2%

### Retirement

Sample rates:

Age	Rate
55-58	5%
59-60	10%
61	15%
62	40%
63-64	30%
65	100%

Percentage covering spouses

70%

Spouse ages

Wives 2 years younger than husbands.

Participation rates

	Participant	Dependent
Medical	95%	95%

## Actuarial Methods

Service cost and APBO

Projected unit credit actuarial cost method, allocated in equal amounts from the valuation date on or after later of age 45 or date of hire to full eligibility date.

## Benefits Not Valued

All benefits described in the summary of plan provisions were valued.

## Change in Assumptions and Methods Since Prior Valuation

The discount rate for benefit obligations was changed from 5.00% to 6.30%.

**Data Sources**

The company furnished participant data as of July 2006, claims data through May 2006 and the accrued postretirement benefits cost as of June 30, 2006. Data were reviewed for reasonableness and consistency, but no audit was performed. Assumptions or estimates were made by Towers Perrin when data were not available. Towers Perrin is not aware of any errors or omissions in the data that would have a significant effect on the results of our calculation.

## Participant Data

July 1, 2006

July 1, 2005

### Active

Number:

▶ Fully eligible for benefits	8	7
▶ Other	<u>210</u>	<u>204</u>
▶ Total	218	211
Average age	53.0	53.0
Average past service	23.4	23.5
Average future service:		
▶ To full eligibility age	8.2	8.6
▶ To expected retirement	8.6	9.2

### Currently Receiving Benefits

Retired participants and surviving spouses:

▶ Number:		
– Under age 65	76	73
– Age 65 and over	<u>246</u>	<u>234</u>
– Total	322	307
▶ Average age	71.4	70.6

Dependents:

▶ Number:		
– Under age 65	71	69
– Age 65 and over	<u>108</u>	<u>117</u>
– Total	179	186
▶ Average age	67.5	67.4

## Plan Provisions

### Medical Benefits

Eligibility	Employees who are age 55 with ten consecutive years of prior service are eligible for medical benefits.
Service	Service is credited beginning at age 45 for retiree medical benefits.
Spouse eligibility	Spouses are covered under the medical plan with coverage continuing for the life of the spouse in the event of a retiree's death.

### 2007 Retiree Contributions

	<u>Pre-65</u>	<u>Post-65</u>
New retirees (after 1998)	19% of total cost	20% of total cost
Grandfathered retirees	Various contribution percentages depending on age and service at retirement.	

For retirements after January 1, 1997, the percentages given above are increased by the following percentages based on the age at retirement.

<u>Age</u>	<u>% Increase</u>	<u>Age</u>	<u>% Increase</u>
55	124%	58	112%
56	120%	59	108%
57	116%	60	104%
		61	102%
		62+	100%

Benefit Options

	<b><u>Passive PPO Plan</u></b>		<b><u>PPO</u></b>		<b><u>EPO</u></b>
	<u>Low Deductible</u>	<u>High Deductible</u>	<u>In-of-Network</u>	<u>Out-Network</u>	
<b>Deductible:</b>	\$300	\$1,250	\$250		\$200 Hospital \$20 Office Visit
<b>Coinsurance:</b> <i>(Most charges)</i>	80%	80%	90%	70%	100% after copay
<b>Out-of-Pocket Maximum:</b> <i>(Not including deductible)</i>	\$2,500	\$5,000	\$1,250	\$2,500	N/A
<b>Lifetime Maximum:</b>	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
<b>Prescription Drug Plan:*</b>					
Retail – Brand/Generic	25%	25%	25%	25%	25%
Mail Order – Brand/Generic	25%	25%	25%	25%	25%
<b>Medical Medicare Integration:</b>	Carve-Out	Carve-Out	Carve-Out	Carve-Out	Carve-Out

\* Prescription drug employee cost-sharing is 25% with maximum copays of \$75 retail and \$150 mail order.

# **SHARED SERVICES**

## **Supplemental Information**

<i>Basic Results for Postretirement Welfare Cost.....</i>	<i>SI-1</i>
<i>Postretirement Welfare Cost.....</i>	<i>SI-3</i>
<i>Actuarial Assumptions and Methods .....</i>	<i>SI-4</i>
<i>Participant Data .....</i>	<i>SI-7</i>
<i>Plan Provisions.....</i>	<i>SI-8</i>

## Basic Results for Postretirement Welfare Cost

	Fiscal Year 2007	Fiscal Year 2006*
<b>Service Cost</b>	\$1,469,250	\$1,717,779
<b>Accumulated Postretirement Benefit Obligation (APBO)</b>		
▶ Current retirees	\$4,391,829	\$5,470,667
▶ Other participants fully eligible for benefits	390,995	478,763
▶ Other active participants	<u>5,843,744</u>	<u>5,429,120</u>
▶ Total	\$10,626,568	\$11,378,550
<b>Additional Obligation for Future Service</b>	\$12,008,767	\$14,277,881
<b>Expected Postretirement Benefit Obligation (EPBO)</b>	\$22,635,335	\$25,656,431
<b>Funded Status</b>		
▶ Fair value of assets (FV)	\$0	\$0
▶ Unfunded APBO (APBO - FV)	\$10,626,568	\$11,378,550
▶ APBO funded percentage (FV ÷ APBO)	0%	0%

\* Including Power Systems.

**Fiscal Year 2007      Fiscal Year 2006**

**Key Economic Assumptions**

Discount rate	6.30%	5.00%
Health care cost trend rate, under age 65:		
▶ First year	8.00%	9.00%
▶ Ultimate	5.00%	5.00%
▶ Fiscal year ultimate reached	2010	2010
Health care cost trend rate, age 65 and over:		
▶ First year	8.00%	9.00%
▶ Ultimate	5.00%	5.00%
▶ Fiscal year ultimate reached	2010	2010



## Postretirement Welfare Cost

	Fiscal Year 2007	Fiscal Year 2006*
<b>Postretirement Welfare Cost</b>		
Service cost	\$1,469,250	\$1,717,779
Interest cost	745,260	502,945
Expected return on assets	0	0
Amortization:		
▶ Transition obligation (asset)	63,000	63,000
▶ Prior service cost (credit)	6,900	20,000
▶ Net loss (gain)	<u>0</u>	<u>85,229</u>
Postretirement welfare cost	\$2,284,410	\$2,388,953

\* *Including Power Systems.*

## Actuarial Assumptions and Methods

### Economic Assumptions

Discount rate	6.30%
Expected return on assets	5.20%
Salary rate increase	4.00%

### Medical Benefit Assumptions

Average per capita claims cost:	Age	Amount
▶ Prior to age 65	< 55	\$7,146
	55 - 59	8,516
	60 - 64	10,848
▶ Age 65 and after (net of Medicare and Part D premium)	65 - 69	1,783
	70 - 74	1,991
	75 - 79	2,116
	80 - 84	2,160
	85 - 89	2,246
	≥ 90	1,887

#### Medical plan trend rate:

- ▶ Benefit costs prior to age 65      8.00% in fiscal year 2007: reducing 1.0% per year reaching 5.00% in fiscal year 2010 and after.
- ▶ Benefit costs age 65 and later      8.00% in fiscal year 2007: reducing 1.0% per year reaching 5.00% in fiscal year 2010 and after.

#### Retiree contributions trend rate

Same as applicable medical plan trend rate.

The pre-65 cost-sharing for new retirees after 1998 also increases 1 percentage point per year until the target cost sharing of 20% is reached in fiscal year 2008.

#### Administrative expenses

Included in above per capita costs.

## Demographic Assumptions

### Mortality:

- ▶ Healthy RP 2000 White Collar with Mortality Improvement Projected to 2010
- ▶ Disabled RP 2000 White Collar with Mortality Improvement Projected to 2010

### Termination

Rates varying by age and service.

Sample rates:

	<i>Age</i>	<i>Age</i>	<i>Age</i>
	<i>25</i>	<i>40</i>	<i>55</i>
Rate	12.1%	4.7%	2.2%

### Retirement

Sample rates:

<i>Age</i>	<i>Rate</i>
55-58	5%
59-60	10%
61	15%
62	40%
63-64	30%
65	100%

Percentage covering spouses

70%

Spouse ages

Wives 2 years younger than husbands.

Participation rates

	<i>Participant</i>	<i>Dependent</i>
Medical	95%	95%

## Actuarial Methods

Service cost and APBO

Projected unit credit actuarial cost method, allocated in equal amounts from the valuation date on or after later of age 45 or date of hire to full eligibility date.

## Benefits Not Valued

All benefits described in the summary of plan provisions were valued.

## Change in Assumptions and Methods Since Prior Valuation

The discount rate for benefit obligations was changed from 5.00% to 6.30%.

**Data Sources**

The company furnished participant data as of July 2006, claims data through May 2006 and the accrued postretirement benefits cost as of June 30, 2006. Data were reviewed for reasonableness and consistency, but no audit was performed. Assumptions or estimates were made by Towers Perrin when data were not available. Towers Perrin is not aware of any errors or omissions in the data that would have a significant effect on the results of our calculation.

## Participant Data

	July 1, 2006	July 1, 2005*
<b>Active</b>		
Number:		
▶ Fully eligible for benefits	8	8
▶ Other	<u>312</u>	<u>294</u>
▶ Total	320	302
Average age	53.0	52.9
Average past service	7.0	6.6
Average future service:		
▶ To full eligibility age	9.0	9.8
▶ To expected retirement	8.9	10.4
<b>Currently Receiving Benefits</b>		
Retired participants and surviving spouses:		
▶ Number:		
– Under age 65	31	32
– Age 65 and over	<u>22</u>	<u>21</u>
– Total	53	53
▶ Average age	63.8	62.5
Dependents:		
▶ Number:		
– Under age 65	26	26
– Age 65 and over	<u>10</u>	<u>8</u>
– Total	36	34
▶ Average age	61.6	60.3

\* *Including Power Systems.*

## Plan Provisions

### Medical Benefits

Eligibility	Employees who are age 55 with ten consecutive years of prior service are eligible for medical benefits.
Service	Service is credited beginning at age 45 for retiree medical benefits.
Spouse eligibility	Spouses are covered under the medical plan with coverage continuing for the life of the spouse in the event of a retiree's death.

### 2007 Retiree Contributions

	<u>Pre-65</u>	<u>Post-65</u>
New retirees (after 1998)	19% of total cost	20% of total cost
Grandfathered retirees	Various contribution percentages depending on age and service at retirement.	

For retirements after January 1, 1997, the percentages given above are increased by the following percentages based on the age at retirement.

<u>Age</u>	<u>% Increase</u>	<u>Age</u>	<u>% Increase</u>
55	124%	58	112%
56	120%	59	108%
57	116%	60	104%
		61	102%
		62+	100%

Benefit Options

	<b><u>Passive PPO Plan</u></b>		<b><u>PPO</u></b>		<b><u>EPO</u></b>
	<b><u>Low Deductible</u></b>	<b><u>High Deductible</u></b>	<b><u>In-of-Network</u></b>	<b><u>Out-Network</u></b>	
<b>Deductible:</b>	\$300	\$1,250		\$250	\$200 hospital \$20 office visit
<b>Coinsurance:</b> <i>(Most charges)</i>	80%	80%	90%	70%	100% after copay
<b>Out-of-Pocket Maximum:</b> <i>(Not including deductible)</i>	\$2,500	\$5,000	\$1,250	\$2,500	N/A
<b>Lifetime Maximum:</b>	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
<b>Prescription Drug Plan*:</b>					
Retail – Brand/Generic	25%	25%	25%	25%	25%
Mail Order – Brand/Generic	25%	25%	25%	25%	25%
<b>Medical Medicare Integration:</b>	Carve-Out	Carve-Out	Carve-Out	Carve-Out	Carve-Out

\* Prescription drug employee cost-sharing is 25% with maximum copays of \$75 retail and \$150 mail order.

# *LOUISIANA*

## *Supplemental Information*

<i>Basic Results for Postretirement Welfare Cost.....</i>	<i>SI-1</i>
<i>Postretirement Welfare Cost.....</i>	<i>SI-3</i>
<i>Actuarial Assumptions and Methods .....</i>	<i>SI-4</i>
<i>Participant Data .....</i>	<i>SI-7</i>
<i>Plan Provisions.....</i>	<i>SI-8</i>





## Basic Results for Postretirement Welfare Cost

	Fiscal Year 2007	Fiscal Year 2006
<b>Service Cost</b>	\$1,063,351	\$1,308,370
<b>Accumulated Postretirement Benefit Obligation (APBO)</b>		
▶ Current retirees	\$14,638,585	\$10,083,237
▶ Other participants fully eligible for benefits	285,613	498,532
▶ Other active participants	<u>7,034,475</u>	<u>7,353,739</u>
▶ Total	\$21,958,673	\$17,935,508
<b>Additional Obligation for Future Service</b>	\$9,164,282	\$11,390,803
<b>Expected Postretirement Benefit Obligation (EPBO)</b>	\$31,122,955	\$29,326,311
<b>Funded Status</b>		
▶ Fair value of assets (FV)	\$0	\$0
▶ Unfunded APBO (APBO - FV)	\$21,958,673	\$17,935,508
▶ APBO funded percentage (FV ÷ APBO)	0%	0%

**Fiscal Year 2007      Fiscal Year 2006**

**Key Economic Assumptions**

Discount rate	6.30%	5.00%
Health care cost trend rate, under age 65:		
▶ First year	8.00%	9.00%
▶ Ultimate	5.00%	5.00%
▶ Fiscal year ultimate reached	2010	2010
Health care cost trend rate, age 65 and over:		
▶ First year	8.00%	9.00%
▶ Ultimate	5.00%	5.00%
▶ Fiscal year ultimate reached	2010	2010

## Postretirement Welfare Cost

	Fiscal Year 2007	Fiscal Year 2006
<b>Postretirement Welfare Cost</b>		
Service cost	\$1,063,351	\$1,308,370
Interest cost	1,403,789	935,018
Expected return on assets	0	0
Amortization:		
▶ Transition obligation (asset)	78,000	78,000
▶ Prior service cost (credit)	0	15,200
▶ Net loss (gain)	<u>0</u>	<u>134,342</u>
Postretirement welfare cost	\$2,545,140	\$2,470,930

## Actuarial Assumptions and Methods

### Economic Assumptions

Discount rate	6.30%
Expected return on assets	5.20%
Salary rate increase	4.00%

### Medical Benefit Assumptions

Average per capita claims cost:	Age	Amount
▶ Prior to age 65	< 55	\$7,146
	55 - 59	8,516
	60 - 64	10,848
▶ Age 65 and after (net of Medicare and Part D premium)	65 - 69	1,783
	70 - 74	1,991
	75 - 79	2,116
	80 - 84	2,160
	85 - 89	2,246
	≥ 90	1,887

### Dental Benefit Assumptions\*

Average per capita claims cost	Age	Amount
▶ Overall average	< 65	\$335
	65+	\$335

#### Medical/Dental plan trend rate:

- ▶ Benefit costs prior to age 65 8.00% in fiscal year 2007: reducing 1.0% per year reaching 5.00% in fiscal year 2010 and after.
- ▶ Benefit costs age 65 and later 8.00% in fiscal year 2007: reducing 1.0% per year reaching 5.00% in fiscal year 2010 and after.

#### Retiree contributions trend rate

Same as applicable medical plan trend rate.

The pre-65 cost-sharing for new retirees after 1998 also increases 1 percentage point per year until the target cost sharing of 20% is reached in fiscal year 2008.

#### Administrative expenses

Included in above per capita costs.

\* *Dental benefits are provided to LGS retirees only.*

## Demographic Assumptions

### Mortality:

- ▶ Healthy RP 2000 White Collar with Mortality Improvement Projected to 2010
- ▶ Disabled RP 2000 White Collar with Mortality Improvement Projected to 2010

### Termination

Rates varying by age and service.

Sample rates:

	<i>Age</i>	<i>Age</i>	<i>Age</i>
	<i>25</i>	<i>40</i>	<i>55</i>
Rate	12.1%	4.7%	2.2%

### Retirement

Sample rates:

<i>Age</i>	<i>Rate</i>
55-58	5%
59-60	10%
61	15%
62	40%
63-64	30%
65	100%

Percentage covering spouses

70%

Spouse ages

Wives 2 years younger than husbands.

Participation rates

	<i>Participant</i>	<i>Dependent</i>
Medical/Dental	95%	95%

## Actuarial Methods

Service cost and APBO

Projected unit credit actuarial cost method, allocated in equal amounts from the valuation date on or after later of age 45 or date of hire to full eligibility date.

## Benefits Not Valued

All benefits described in the summary of plan provisions were valued.

## Change in Assumptions and Methods Since Prior Valuation

The discount rate for benefit obligations was changed from 5.00% to 6.30%.

**Data Sources**

The company furnished participant data as of July 2006, claims data through May 2006 and the accrued postretirement benefits cost as of June 30, 2006. Data were reviewed for reasonableness and consistency, but no audit was performed. Assumptions or estimates were made by Towers Perrin when data were not available. Towers Perrin is not aware of any errors or omissions in the data that would have a significant effect on the results of our calculation.

## Participant Data

	July 1, 2006	July 1, 2005
<b>Active</b>		
Number:		
▶ Fully eligible for benefits	6	8
▶ Other	<u>231</u>	<u>219</u>
▶ Total	237	227
Average age	51.5	51.5
Average past service	22.6	22.1
Average future service:		
▶ To full eligibility age	9.5	9.9
▶ To expected retirement	9.4	10.5
<b>Currently Receiving Benefits</b>		
Retired participants and surviving spouses:		
• Number:		
– Under age 65	56	55
– Age 65 and over	<u>191</u>	<u>192</u>
– Total	247	247
• Average age	71.7	71.0
Dependents:		
• Number:		
– Under age 65	60	61
– Age 65 and over	<u>75</u>	<u>73</u>
– Total	135	134
• Average age	65.7	64.6



## Plan Provisions

### Medical Benefits

Eligibility	Employees who are age 55 with ten consecutive years of prior service are eligible for medical benefits.
Service	Service is credited beginning at age 45 for retiree medical benefits.
Spouse eligibility	Spouses are covered under the medical plan with coverage continuing for the life of the spouse in the event of a retiree's death.

### 2007 Retiree Contributions

	<u>Pre-65</u>	<u>Post-65</u>
New retirees (after 1998)	19% of total cost	20% of total cost
Grandfathered retirees	Various contribution percentages depending on age and service at retirement.	

For retirements after January 1, 1997, the percentages given above are increased by the following percentages based on the age at retirement.

<u>Age</u>	<u>% Increase</u>	<u>Age</u>	<u>% Increase</u>
55	124%	58	112%
56	120%	59	108%
57	116%	60	104%
		61	102%
		62+	100%

Benefit Options

	<b><u>Passive PPO Plan</u></b>		<b><u>PPO</u></b>		<b><u>EPO</u></b>
	<u>Low Deductible</u>	<u>High Deductible</u>	<u>In-of-Network</u>	<u>Out-Network</u>	
<b>Deductible:</b>	\$300	\$1,250		\$250	\$200 hospital \$20 office visit
<b>Coinsurance:</b> <i>(Most charges)</i>	80%	80%	90%	70%	100% after copay
<b>Out-of-Pocket Maximum:</b> <i>(Not including deductible)</i>	\$2,500	\$5,000	\$1,250	\$2,500	N/A
<b>Lifetime Maximum:</b>	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
<b>Prescription Drug Plan:*</b>	25%	25%	25%	25%	25%
Retail – Brand/Generic	25%	25%	25%	25%	25%
Mail Order – Brand/Generic					
<b>Medical Medicare Integration:</b>	Carve-Out	Carve-Out	Carve-Out	Carve-Out	Carve-Out
<b>Dental Plan (LGS):</b>					
Deductible	\$50 - waived on preventive				
Coinsurance:					
Preventive	100%				
Basic	80%				
Major	50%				
Orthodontia	50% after a separate \$50 deductible. \$1,500 lifetime limit				
Annual maximum	\$1,500				
<b>Life Insurance (LGS):</b>					
Benefit	Various frozen amounts depending on age and service at retirement				
Contributions	Various frozen contributions depending on age and service at retirement				

\* Prescription drug employee cost-sharing is 25% with maximum copays of \$75 retail and \$150 mail order.

# ***COLORADO-KANSAS***

## ***Supplemental Information***

<b><i>Basic Results for Postretirement Welfare Cost.....</i></b>	<b><i>SI-1</i></b>
<b><i>Postretirement Welfare Cost.....</i></b>	<b><i>SI-3</i></b>
<b><i>Actuarial Assumptions and Methods .....</i></b>	<b><i>SI-4</i></b>
<b><i>Participant Data .....</i></b>	<b><i>SI-7</i></b>
<b><i>Plan Provisions.....</i></b>	<b><i>SI-8</i></b>

## Basic Results for Postretirement Welfare Cost

	Fiscal Year 2007	Fiscal Year 2006
<b>Service Cost</b>	\$840,151	\$976,286
<b>Accumulated Postretirement Benefit Obligation (APBO)</b>		
▶ Current retirees	\$6,990,547	\$8,262,703
▶ Other participants fully eligible for benefits	421,603	462,533
▶ Other active participants	<u>6,695,257</u>	<u>7,142,124</u>
▶ Total	\$14,107,407	\$15,867,360
<b>Additional Obligation for Future Service</b>	\$5,872,312	\$7,337,513
<b>Expected Postretirement Benefit Obligation (EPBO)</b>	\$19,979,719	\$23,204,873
<b>Funded Status</b>		
▶ Fair value of assets (FV)	\$15,973,384	\$14,222,259
▶ Unfunded APBO (APBO - FV)	(\$1,865,977)	\$1,645,101
▶ APBO funded percentage (FV ÷ APBO)	113.2%	89.6%

	<b>Fiscal Year 2007</b>	<b>Fiscal Year 2006</b>
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**Key Economic Assumptions**

Discount rate	6.30%	5.00%
Health care cost trend rate, under age 65:		
▶ First year	8.00%	9.00%
▶ Ultimate	5.00%	5.00%
▶ Fiscal year ultimate reached	2010	2010
Health care cost trend rate, age 65 and over:		
▶ First year	8.00%	9.00%
▶ Ultimate	5.00%	5.00%
▶ Fiscal year ultimate reached	2010	2010

## Postretirement Welfare Cost

	Fiscal Year 2007	Fiscal Year 2006
<b>Postretirement Welfare Cost</b>		
Service cost	\$840,151	\$976,286
Interest cost	917,129	821,927
Expected return on assets	(841,100)	(771,600)
Amortization:		
▶ Transition obligation (asset)	247,400	247,400
▶ Prior service cost (credit)	26,300	90,600
▶ Net loss (gain)	<u>0</u>	<u>118,851</u>
Postretirement welfare cost	\$1,189,880	\$1,483,464

## Actuarial Assumptions and Methods

### Economic Assumptions

Discount rate	6.30%
Expected return on assets	5.20%
Salary rate increase	4.00%

### Medical Benefit Assumptions

Average per capita claims cost:	Age	Amount
▶ Prior to age 65	< 55	\$7,146
	55 - 59	8,516
	60 - 64	10,848
▶ Age 65 and after (net of Medicare and Part D premium)	65 - 69	1,783
	70 - 74	1,991
	75 - 79	2,116
	80 - 84	2,160
	85 - 89	2,246
	≥ 90	1,887

#### Medical plan trend rate:

- ▶ Benefit costs prior to age 65 8.00% in fiscal year 2007: reducing 1.0% per year reaching 5.00% in fiscal year 2010 and after.
- ▶ Benefit costs age 65 and later 8.00% in fiscal year 2007: reducing 1.0% per year reaching 5.00% in fiscal year 2010 and after.

#### Retiree contributions trend rate

Same as applicable medical plan trend rate.

The pre-65 cost-sharing for new retirees after 1998 also increases 1 percentage point per year until the target cost sharing of 20% is reached in fiscal year 2008.

#### Administrative expenses

Included in above per capita costs.

## Demographic Assumptions

### Mortality:

- ▶ Healthy RP 2000 White Collar with Mortality Improvement  
Projected to 2010
- ▶ Disabled RP 2000 White Collar with Mortality Improvement  
Projected to 2010

### Termination

Rates varying by age and service.

Sample rates:

	<i>Age</i>	<i>Age</i>	<i>Age</i>
	<i>25</i>	<i>40</i>	<i>55</i>
Rate	12.1%	4.7%	2.2%

### Retirement

Sample rates:

<i>Age</i>	<i>Rate</i>
55-58	5%
59-60	10%
61	15%
62	40%
63-64	30%
65	100%

Percentage covering spouses

70%

Spouse ages

Wives 2 years younger than husbands.

Participation rates

	<i>Participant</i>	<i>Dependent</i>
Medical	95%	95%

## Actuarial Methods

Service cost and APBO

Projected unit credit actuarial cost method, allocated in equal amounts from the valuation date on or after later of age 45 or date of hire to full eligibility date.

## Benefits Not Valued

All benefits described in the summary of plan provisions were valued.

## Change in Assumptions and Methods Since Prior Valuation

The discount rate for benefit obligations was changed from 5.00% to 6.30%.



**Data Sources**

The company furnished participant data as of July 2006, claims data through May 2006 and the accrued postretirement benefits cost as of June 30, 2006. Data were reviewed for reasonableness and consistency, but no audit was performed. Assumptions or estimates were made by Towers Perrin when data were not available. Towers Perrin is not aware of any errors or omissions in the data that would have a significant effect on the results of our calculation.

## Participant Data

	July 1, 2006	July 1, 2005
<b>Active</b>		
Number:		
▶ Fully eligible for benefits	8	7
Other	<u>171</u>	<u>164</u>
Total	179	171
Average age	53.2	53.0
Average past service	21.4	21.0
Average future service:		
▶ To full eligibility age	8.0	8.6
▶ To expected retirement	8.5	9.1
<b>Currently Receiving Benefits</b>		
Retired participants and surviving spouses:		
▶ Number:		
– Under age 65	32	32
– Age 65 and over	<u>104</u>	<u>97</u>
– Total	136	129
▶ Average age	71.5	70.6
Dependents:		
▶ Number:		
– Under age 65	31	29
– Age 65 and over	<u>47</u>	<u>56</u>
– Total	78	85
▶ Average age	67.5	68.0

## Plan Provisions

### Medical Benefits

Eligibility	Employees who are age 55 with ten consecutive years of prior service are eligible for medical benefits.
Service	Service is credited beginning at age 45 for retiree medical benefits.
Spouse eligibility	Spouses are covered under the medical plan with coverage continuing for the life of the spouse in the event of a retiree's death.

### 2007 Retiree Contributions

	<u>Pre-65</u>	<u>Post-65</u>
New retirees (after 1998)	19% of total cost	20% of total cost
Grandfathered retirees	Various contribution percentages depending on age and service at retirement.	

For retirements after January 1, 1997, the percentages given above are increased by the following percentages based on the age at retirement.

<u>Age</u>	<u>% Increase</u>	<u>Age</u>	<u>% Increase</u>
55	124%	58	112%
56	120%	59	108%
57	116%	60	104%
		61	102%
		62+	100%

Benefit Options

	<b><u>Passive PPO Plan</u></b>		<b><u>PPO</u></b>		<b><u>EPO</u></b>
	<u>Low Deductible</u>	<u>High Deductible</u>	<u>In-of-Network</u>	<u>Out-Network</u>	
<b>Deductible:</b>	\$300	\$1,250		\$250	\$200 hospital \$20 office visit
<b>Coinsurance:</b> <i>(Most charges)</i>	80%	80%	90%	70%	100% after copay
<b>Out-of-Pocket Maximum:</b> <i>(Not including deductible)</i>	\$2,500	\$5,000	\$1,250	\$2,500	N/A
<b>Lifetime Maximum:</b>	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
<b>Prescription Drug Plan*:</b>					
Retail – Brand/Generic	25%	25%	25%	25%	25%
Mail Order – Brand/Generic	25%	25%	25%	25%	25%
<b>Medical Medicare Integration:</b>	Carve-Out	Carve-Out	Carve-Out	Carve-Out	Carve-Out

\* Prescription drug employee cost-sharing is 25% with maximum copays of \$75 retail and \$150 mail order.

**MISSISSIPPI VALLEY GAS**

***Supplemental Information***

***Basic Results for Postretirement Welfare Cost..... SI-1***

***Postretirement Welfare Cost..... SI-4***

***Actuarial Assumptions and Methods ..... SI-5***

***Participant Data ..... SI-8***

***Plan Provisions..... SI-9***

## Basic Results for Postretirement Welfare Cost

<b>Non-Union</b>	<b>Fiscal Year 2007</b>	<b>Fiscal Year 2006</b>
<b>Service Cost</b>	\$709,525	\$877,444
<b>Accumulated Postretirement Benefit Obligation [APBO]</b>		
▶ Current retirees	\$4,764,274	\$4,520,164
▶ Other participants fully eligible for benefits	478,979	848,870
▶ Other active participants	<u>5,819,796</u>	<u>6,280,164</u>
▶ Total	\$11,063,049	\$11,649,198
<b>Additional Obligation for Future Service</b>	\$4,901,939	\$6,581,714
<b>Expected Postretirement Benefit Obligation (EPBO)</b>	\$15,964,988	\$18,230,912
<b>Funded Status</b>		
▶ Fair value of assets (FV)	\$3,864,040	\$3,673,910
▶ Unfunded APBO (APBO - FV)	\$7,199,009	\$7,975,288
▶ APBO funded percentage (FV ÷ APBO)	34.9%	31.5%

<b>Collectively Bargained</b>	<b>Fiscal Year 2007</b>	<b>Fiscal Year 2006</b>
<b>Service Cost</b>	\$145,954	\$183,854
<b>Accumulated Postretirement Benefit Obligation [APBO]</b>		
▶ Current retirees	\$1,217,888	\$1,351,308
▶ Other participants fully eligible for benefits	1,242,018	1,077,524
▶ Other active participants	<u>2,241,296</u>	<u>2,464,917</u>
▶ Total	\$4,701,202	\$4,893,749
<b>Additional Obligation for Future Service</b>	\$533,701	\$1,546,671
<b>Expected Postretirement Benefit Obligation (EPBO)</b>	\$5,234,903	\$6,440,420
<b>Funded Status</b>		
▶ Fair value of assets (FV)	\$2,585,909	\$2,516,475
▶ Unfunded APBO (APBO - FV)	\$2,115,293	\$2,377,274
▶ APBO funded percentage (FV ÷ APBO)	55.0%	51.4%

	<b>Fiscal Year 2007</b>	<b>Fiscal Year 2006</b>
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**Key Economic Assumptions**

Discount rate	6.30%	5.00%
Health care cost trend rate, under age 65:		
▶ First year	8.00%	9.00%
▶ Ultimate	5.00%	5.00%
▶ Fiscal year ultimate reached	2010	2010
Health care cost trend rate, age 65 and over:		
▶ First year	8.00%	9.00%
▶ Ultimate	5.00%	5.00%
▶ Fiscal year ultimate reached	2010	2010



## Postretirement Welfare Cost

<b>Non-Union</b>	<b>Fiscal Year 2007</b>	<b>Fiscal Year 2006</b>
<b>Postretirement Welfare Cost</b>		
Service cost	\$709,525	\$877,444
Interest cost	719,820	611,939
Expected return on assets	(214,400)	(215,600)
Amortization:		
▶ Transition obligation (asset)	0	0
▶ Prior service cost (credit)	0	0
▶ Net loss (gain)	<u>0</u>	<u>87,256</u>
Postretirement welfare cost	\$1,214,945	\$1,361,039

<b>Collectively Bargained</b>	<b>Fiscal Year 2007</b>	<b>Fiscal Year 2006</b>
<b>Postretirement Welfare Cost</b>		
Service cost	\$145,954	\$183,854
Interest cost	300,141	248,729
Expected return on assets	(138,100)	(136,700)
Amortization:		
▶ Transition obligation (asset)	0	0
▶ Prior service cost (credit)	0	0
▶ Net loss (gain)	<u>0</u>	<u>36,656</u>
Postretirement welfare cost	\$307,995	\$332,539

## Actuarial Assumptions and Methods

### Economic Assumptions

Discount rate	6.30%
Expected return on assets	5.20%
Salary rate increase	4.00%

### Medical Benefit Assumptions\*

Average per capita claims cost:

▶ Prior to age 65	\$8,190
▶ Age 65 and after (net of Medicare)	\$3,733

Medical plan trend rate:

▶ Benefit costs prior to age 65	8.00% in fiscal year 2007: reducing 1.0% per year reaching 5.00% in fiscal year 2010 and after.
▶ Benefit costs age 65 and later	8.00% in fiscal year 2007: reducing 1.0% per year reaching 5.00% in fiscal year 2010 and after.

Retiree contributions trend rate

Same as applicable medical plan trend rate.

The pre-65 cost-sharing for new non-union retirees (after November 30, 2002) also increases 1 percentage point per year until the target cost sharing of 20% is reached in fiscal year 2008.

Administrative expenses

Included in above per capita costs.

\* For BCBS MS plan participants. All others, Atmos plan.

## Demographic Assumptions

### Mortality:

- ▶ Healthy RP 2000 White Collar with Mortality Improvement Projected to 2010
- ▶ Disabled RP 2000 White Collar with Mortality Improvement Projected to 2010

### Termination

Rates varying by age and service.

Sample rates:

	Age	Age	Age
	25	40	55
Rate	12.1%	4.7%	2.2%

### Retirement

Sample rates:

Age	Rate
55-58	5%
59-60	10%
61	15%
62	40%
63-64	30%
65	100%

Percentage covering spouses

70%

Spouse ages

Wives 2 years younger than husbands.

Participation rates

	Participant	Dependent
Medical	95%	95%

## Actuarial Methods

Service cost and APBO

For Non-Union; projected unit credit actuarial cost method, allocated in equal amounts from the valuation date on or after later of age 45 or date of hire to full eligibility date.

For Collectively Bargained; projected unit credit actuarial cost method, allocated in equal amounts from the date of hire to earliest date of retirement.

## Benefits Not Valued

All benefits described in the summary of plan provisions were valued.

## Change in Assumptions and Methods Since Prior Valuation

The discount rate for benefit obligations was changed from 5.00% to 6.30%.

**Data Sources**

The company furnished participant data as of July 2006, claims data through May 2006 and the accrued postretirement benefits cost as of June 30, 2006. Data were reviewed for reasonableness and consistency, but no audit was performed. Assumptions or estimates were made by Towers Perrin when data were not available. Towers Perrin is not aware of any errors or omissions in the data that would have a significant effect on the results of our calculation.

## Participant Data

	July 1, 2006		July 1, 2005	
	Non-Union	Collectively Bargained	Non-Union	Collectively Bargained
<b>Active</b>				
Number:				
▶ Fully eligible for benefits	9	39	14	34
▶ Other	<u>154</u>	<u>156</u>	<u>158</u>	<u>178</u>
▶ Total	163	195	172	212
Average age	53.7	47.4	54.0	46.1
Average past service	20.3	17.7	20.2	16.4
Average future service:				
▶ To full eligibility age	7.9	9.4	8.2	10.1
▶ To expected retirement	8.4	12.1	8.6	13.8
<b>Currently Receiving Benefits</b>				
Retired participants and surviving spouses:				
▶ Number:				
– Under age 65	33	9	29	11
– Age 65 and over	<u>120</u>	<u>55</u>	<u>116</u>	<u>56</u>
– Total	153	64	145	67
▶ Average age	72.6	75.6	72.9	76.4
Dependents:				
▶ Number:				
– Under age 65	19	4	10	2
– Age 65 and over	<u>47</u>	<u>20</u>	<u>51</u>	<u>23</u>
– Total	66	24	61	25
▶ Average age	70.7	72.7	71.2	73.0

## Plan Provisions

### Medical Benefits

Eligibility	Employees who are age 55 with ten consecutive years of prior service are eligible for medical benefits.
Service	For non-union, service is credited beginning at age 45 for retiree medical benefits. For collectively bargained, service is credited from date of hire.
Spouse eligibility	Non-union spouses are covered under the medical plan with coverage continuing for the life of the spouse in the event of a retiree's death if the date of retirement is after acquisition. Union spouses and non-union spouses of those who retired prior to acquisition contribute 100% of the total costs after the death of the retiree.

### 2007 Retiree Contributions

	<u>Pre-65</u>	<u>Post-65</u>
Non-union retirees after 11/30/2002*	19% of total cost	20% of total cost
All retirees at acquisition and collectively bargained future retirees	Various contribution percentages depending on date of retirement.	Company costs capped at \$75 per month per participant plus administrative fees.

\*For retirements after 2003, the percentages given above are increased by the following percentages based on the age at retirement.

<u>Age</u>	<u>% Increase</u>	<u>Age</u>	<u>% Increase</u>
55	124%	58	112%
56	120%	59	108%
57	116%	60	104%
		61	102%
		62+	100%

**Benefit Options – Non-Union except those retired before acquisition**

	<u>Passive PPO Plan</u>		<u>PPO</u>		<u>EPO</u>
	<u>Low Deductible</u>	<u>High Deductible</u>	<u>In-Network</u>	<u>Out-of-Network</u>	
<b>Deductible:</b>	\$300	\$1,250	\$250		\$200 hospital \$20 office visit
<b>Coinsurance:</b> <i>(Most charges)</i>	80%	80%	90%	70%	100% after copay
<b>Out-of-Pocket Maximum:</b> <i>(Not including deductible)</i>	\$2,500	\$5,000	\$1,250	\$2,500	N/A
<b>Lifetime Maximum:</b>	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
<b>Prescription Drug Plan:*</b>					
Retail -- Brand/Generic	25%	25%	25%	25%	25%
Mail Order – Brand/Generic	25%	25%	25%	25%	25%
<b>Medical Medicare Integration:</b>	Carve-Out	Carve-Out	Carve-Out	Carve-Out	Carve-Out

\* Prescription drug employee cost-sharing is 25% with maximum copays of \$75 retail and \$150 mail order.

**Benefit Options (MVG Plan) – All Union retirees and non-union retirees who retired before acquisition**

**Medical:**

<b>Under Age 65</b>	<u>In-Network</u>	<u>Out-of-Network</u>
<b>Deductible:</b>		\$500
<b>Coinsurance:</b> <i>(Most charges)</i>	80%	70%
<b>Out-of-Pocket Maximum:</b> <i>(Not including deductible)</i>		\$2,500
<b>Lifetime Maximum:</b>		\$1,000,000
<b>Prescription Drug:</b>		
▶ Brand		80%
▶ Generic		100%

**Age 65 +**

<b>Medicare Deductible:</b>	100% paid by plan
<b>Deductible:</b>	\$200 (after Medicare Deductible is paid)
<b>Coinsurance:</b> <i>(Most charges)</i>	80%
<b>Prescription Drugs:</b>	
▶ Brand	80%
▶ Generic	100%
<b>Lifetime Benefit:</b>	\$250,000

**Life:**

▶ Benefit	\$10,000
▶ Contributions	None



**MID STATES**

***Supplemental Information***

*Basic Results for Postretirement Welfare Cost..... SI-1*

*Postretirement Welfare Cost..... SI-3*

*Actuarial Assumptions and Methods ..... SI-4*

*Participant Data ..... SI-7*

*Plan Provisions..... SI-8*

## Basic Results for Postretirement Welfare Cost\*

	Fiscal Year 2007	Fiscal Year 2006
<b>Service Cost</b>	\$1,197,807	\$1,395,955
<b>Accumulated Postretirement Benefit Obligation (APBO)</b>		
▶ Current retirees	\$23,822,208	\$28,012,792
▶ Other participants fully eligible for benefits	465,231	395,977
▶ Other active participants	<u>8,754,749</u>	<u>9,997,924</u>
▶ Total	\$33,042,188	\$38,406,693
<b>Additional Obligation for Future Service</b>	\$9,385,571	\$10,998,889
<b>Expected Postretirement Benefit Obligation (EPBO)</b>	\$42,427,759	\$49,405,582
<b>Funded Status</b>		
▶ Fair value of assets (FV)	\$11,136,601	\$9,520,459
▶ Unfunded APBO (APBO - FV)	21,905,587	28,886,234
▶ APBO funded percentage (FV ÷ APBO)	33.7%	24.8%

\* Including Associated Natural Gas and Columbus, GA.

**Fiscal Year 2007      Fiscal Year 2006**

**Key Economic Assumptions**

Discount rate	6.30%	5.00%
Health care cost trend rate, under age 65:		
▶ First year	8.00%	9.00%
▶ Ultimate	5.00%	5.00%
▶ Fiscal year ultimate reached	2010	2010
Health care cost trend rate, age 65 and over:		
▶ First year	8.00%	9.00%
▶ Ultimate	5.00%	5.00%
▶ Fiscal year ultimate reached	2010	2010

## Postretirement Welfare Cost \*

	Fiscal Year 2007	Fiscal Year 2006
<b>Postretirement Welfare Cost</b>		
Service cost	\$1,197,807	\$1,395,955
Interest cost	\$2,088,513	1,927,550
Expected return on assets	(598,800)	(519,800)
Amortization:		
▶ Transition obligation (asset)	272,800	272,800
▶ Prior service cost (credit)	0	0
▶ Net loss (gain)	<u>0</u>	<u>287,677</u>
Postretirement welfare cost	\$2,960,320	\$3,364,182

\* *Including Associated Natural Gas and Columbus, GA.*

## Actuarial Assumptions and Methods

### Economic Assumptions

Discount rate	6.30%
Expected return on assets	5.20%
Salary rate increase	4.00%

### Medical Benefit Assumptions

Average per capita claims cost:		<i>Grandfathered Mid States retirees</i>	<i>Grandfathered ANG retirees and all others</i>
	<i>Age</i>		
▶ Prior to age 65	< 55	\$7,146	\$7,146
	55 - 59	8,516	8,516
	60 - 64	10,848	10,848
▶ Age 65 and after (net of Medicare and Part D premium)	65 - 69	2,060	1,783
	70 - 74	2,300	1,991
	75 - 79	2,444	2,116
	80 - 84	2,496	2,160
	85 - 89	2,595	2,246
	≥ 90	2,499	1,887

### Dental Benefit Assumptions\*

Average per capita claims cost

▶ Overall average	<i>Age</i>	<i>Amount</i>
	< 65	\$335
	65+	\$335

Medical/Dental plan trend rate:

- ▶ Benefit costs prior to age 65 8.00% in fiscal year 2007: reducing 1.0% per year reaching 5.00% in fiscal year 2010 and after.
- ▶ Benefit costs age 65 and later 8.00% in fiscal year 2007: reducing 1.0% per year reaching 5.00% in fiscal year 2010 and after.

Retiree contributions trend rate

Same as applicable medical plan trend rate.

The pre-65 cost-sharing for new retirees (after 1998 for Mid States retirees and after October 1, 2000 for ANG retirees) also increases 1 percentage point per year until the target cost sharing of 20% is reached in fiscal year 2008.

Administrative expenses

Included in above per capita costs.

\* *Dental benefits are provided to pre-1998 Mid States retirees and pre-October 1, 2000 ANG retirees only.*

## Demographic Assumptions

### Mortality:

- ▶ Healthy RP 2000 White Collar with Mortality Improvement Projected to 2010
- ▶ Disabled RP 2000 White Collar with Mortality Improvement Projected to 2010

### Termination

Rates varying by age and service.

Sample rates:

	<i>Age</i>	<i>Age</i>	<i>Age</i>
	25	40	55
Rate	12.1%	4.7%	2.2%

### Retirement

Sample rates:

<i>Age</i>	<i>Rate</i>
55-58	5%
59-60	10%
61	15%
62	40%
63-64	30%
65	100%

Percentage covering spouses

70%

Spouse ages

Wives 2 years younger than husbands.

Participation rates

	<i>Participant</i>	<i>Dependent</i>
Medical/Dental	95%	95%

## Actuarial Methods

Service cost and APBO

Projected unit credit actuarial cost method, allocated in equal amounts from the valuation date on or after later of age 45 or date of hire to full eligibility date.

## Benefits Not Valued

All benefits described in the summary of plan provisions were valued.

## Change in Assumptions and Methods Since Prior Valuation

The discount rate for benefit obligations was changed from 5.00% to 6.30%.

**Data Sources**

The company furnished participant data as of July 2006, claims data through May 2006 and the accrued postretirement benefits cost as of June 30, 2006. Data were reviewed for reasonableness and consistency, but no audit was performed. Assumptions or estimates were made by Towers Perrin when data were not available. Towers Perrin is not aware of any errors or omissions in the data that would have a significant effect on the results of our calculation.

## Participant Data\*

	July 1, 2006	July 1, 2005
<b>Active</b>		
Number:		
▶ Fully eligible for benefits	8	6
▶ Other	<u>247</u>	<u>243</u>
▶ Total	255	249
Average age	52.5	52.6
Average past service	24.0	23.6
Average future service:		
▶ To full eligibility age	8.6	8.8
▶ To expected retirement	8.8	9.5
<b>Currently Receiving Benefits</b>		
Retired participants and surviving spouses:		
▶ Number:		
– Under age 65	69	60
– Age 65 and over	<u>307</u>	<u>323</u>
– Total	376	383
▶ Average age	72.7	73.0
Dependents:		
▶ Number:		
– Under age 65	71	71
– Age 65 and over	<u>127</u>	<u>126</u>
– Total	198	197
▶ Average age	69.1	68.4

\* Including Associated Natural Gas and Columbus, GA.



## Plan Provisions

### Medical Benefits

Eligibility	Employees who are age 55 with ten consecutive years of prior service are eligible for medical benefits.
Service	Service is credited beginning at age 45 for retiree medical benefits.
Spouse eligibility	Spouses are covered under the medical plan with coverage continuing for the life of the spouse in the event of a retiree's death.

### 2007 Retiree Contributions

	<u>Pre-65</u>	<u>Post-65</u>
New retirees (after 1998)*	19% of total cost	20% of total cost
Grandfathered retirees	Various contribution percentages depending on age and service at retirement.	

For retirements after January 1, 1997\*\*, the percentages given above are increased by the following percentages based on the age at retirement.

<u>Age</u>	<u>% Increase</u>	<u>Age</u>	<u>% Increase</u>
55	124%	58	112%
56	120%	59	108%
57	116%	60	104%
		61	102%
		62+	100%

\*After January 1, 1998 for Mid States and after October 1, 2000 for ANG.

\*\*After October 1, 2000 for ANG.

Benefit Options

	<u>Passive PPO Plan</u>		<u>PPO</u>		<u>EPO</u>
	<u>Low Deductible</u>	<u>High Deductible</u>	<u>In-of-Network</u>	<u>Out-Network</u>	
<b>Deductible:</b>	\$300	\$1,250		\$250	\$200 hospital \$20 office visit
<b>Coinsurance:</b> <i>(Most charges)</i>	80%	80%	90%	70%	100% after copay
<b>Out-of-Pocket Maximum:</b> <i>(Not including deductible)</i>	\$2,500	\$5,000	\$1,250	\$2,500	N/A
<b>Lifetime Maximum:</b>	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
<b>Prescription Drug Plan:*</b>					
Retail – Brand/Generic	25%	25%	25%	25%	25%
Mail Order – Brand/Generic	25%	25%	25%	25%	25%
<b>Medical Medicare Integration:**</b>	Carve-Out	Carve-Out	Carve-Out	Carve-Out	Carve-Out
<b>Dental Plan:***</b>					
Deductible	\$50 - waived on preventive				
Coinsurance:					
Preventive	100%				
Basic	80%				
Major	50%				
Orthodontia	50% after a separate \$50 deductible. \$1,500 lifetime limit				
Annual maximum	\$1,500				
<b>Life Insurance:****</b>					
Benefit	Various frozen amounts depending on age and service at retirement				
Contributions	Various frozen contributions depending on age and service at retirement				

\* Prescription drug employee cost-sharing is 25% with maximum copays of \$75 retail and \$150 mail order.

\*\* Pre-1988 Mid States retirees have full (100%) COB with Medicare.

\*\*\* Offered to pre-1998 Mid States retirees only and pre-October 1, 2000 ANG retirees only.

\*\*\*\* Offered to grandfathered retirees only.

# **KENTUCKY**

## ***Supplemental Information***

<b><i>Basic Results for Postretirement Welfare Cost.....</i></b>	<b><i>SI-1</i></b>
<b><i>Postretirement Welfare Cost.....</i></b>	<b><i>SI-3</i></b>
<b><i>Actuarial Assumptions and Methods .....</i></b>	<b><i>SI-4</i></b>
<b><i>Participant Data .....</i></b>	<b><i>SI-7</i></b>
<b><i>Plan Provisions.....</i></b>	<b><i>SI-8</i></b>

## Basic Results for Postretirement Welfare Cost

	Fiscal Year 2007	Fiscal year 2006
<b>Service Cost</b>	\$781,714	\$915,392
<b>Accumulated Postretirement Benefit Obligation [APBO]</b>		
▶ Current retirees	\$9,890,465	\$12,569,869
▶ Other participants fully eligible for benefits	217,311	217,940
▶ Other active participants	<u>5,422,855</u>	<u>5,732,634</u>
▶ Total	\$15,530,631	\$18,520,443
<b>Additional Obligation for Future Service</b>	\$6,022,589	\$7,793,165
<b>Expected Postretirement Benefit Obligation (EPBO)</b>	\$21,553,220	\$26,313,608
<b>Funded Status</b>		
▶ Fair value of assets (FV)	\$11,239,906	\$9,910,165
▶ Unfunded APBO (APBO - FV)	\$4,290,725	\$8,610,278
▶ APBO funded percentage (FV ÷ APBO)	72.4%	53.5%

	<b>Fiscal Year 2007</b>	<b>Fiscal Year 2006</b>
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**Key Economic Assumptions**

Discount rate	6.30%	5.00%
Health care cost trend rate, under age 65:		
▶ First year	8.00%	9.00%
▶ Ultimate	5.00%	5.00%
▶ Fiscal year ultimate reached	2010	2010
Health care cost trend rate, age 65 and over:		
▶ First year	8.00%	9.00%
▶ Ultimate	5.00%	5.00%
▶ Fiscal year ultimate reached	2010	2010

## Postretirement Welfare Cost

	Fiscal Year 2007	Fiscal Year 2006
<b>Postretirement Welfare Cost</b>		
Service cost	\$781,714	\$915,392
Interest cost	993,736	941,995
Expected return on assets	(596,100)	(543,900)
Amortization:		
▶ Transition obligation (asset)	355,000	355,000
▶ Prior service cost (credit)	0	94,600
▶ Net loss (gain)	<u>0</u>	<u>138,724</u>
Postretirement welfare cost	\$1,534,350	\$1,901,811

## Actuarial Assumptions and Methods

### Economic Assumptions

Discount rate	6.30%
Expected return on assets	5.20%
Salary increase rate	4.00%

### Medical Benefit Assumptions

Average per capita claims cost:	Age	Amount
▶ Prior to age 65	< 55	\$7,146
	55 - 59	8,516
	60 - 64	10,848
▶ Age 65 and after (net of Medicare and Part D premium)	65 - 69	1,783
	70 - 74	1,991
	75 - 79	2,116
	80 - 84	2,160
	85 - 89	2,246
	≥ 90	1,887

#### Medical plan trend rate:

- ▶ Benefit costs prior to age 65 8.00% in fiscal year 2007: reducing 1.0% per year reaching 5.00% in fiscal year 2010 and after.
- ▶ Benefit costs age 65 and later 8.00% in fiscal year 2007: reducing 1.0% per year reaching 5.00% in fiscal year 2010 and after.

#### Retiree contributions trend rate

Same as applicable medical plan trend rate.

The pre-65 cost-sharing for new retirees after 1998 also increases 1 percentage point per year until the target cost sharing of 20% is reached in fiscal year 2008.

#### Administrative expenses

Included in above per capita costs.

## Demographic Assumptions

### Mortality:

- ▶ Healthy RP 2000 White Collar with Mortality Improvement Projected to 2010
- ▶ Disabled RP 2000 White Collar with Mortality Improvement Projected to 2010

### Termination

Rates varying by age and service.

Sample rates:

	Age	Age	Age
	25	40	55
Rate	12.1%	4.7%	2.2%

### Retirement

Sample rates:

Age	Rate
55-58	5%
59-60	10%
61	15%
62	40%
63-64	30%
65	100%

Percentage covering spouses

70%

Spouse ages

Wives 2 years younger than husbands.

Participation rates

	Participant	Dependent
Medical	95%	95%

## Actuarial Methods

Service cost and APBO

Projected unit credit actuarial cost method, allocated in equal amounts from the valuation date on or after later of age 45 or date of hire to full eligibility date.

## Benefits Not Valued

All benefits described in the summary of plan provisions were valued.

## Change in Assumptions and Methods Since Prior Valuation

The discount rate for benefit obligations was changed from 5.00% to 6.30%.



**Data Sources**

The company furnished participant data as of July 2006, claims data through May 2006 and the accrued postretirement benefits cost as of June 30, 2006. Data were reviewed for reasonableness and consistency, but no audit was performed. Assumptions or estimates were made by Towers Perrin when data were not available. Towers Perrin is not aware of any errors or omissions in the data that would have a significant effect on the results of our calculation.

## Participant Data

	July 1, 2006	July 1, 2005
<b>Active</b>		
Number:		
▶ Fully eligible for benefits	4	4
▶ Other	<u>159</u>	<u>158</u>
▶ Total	163	162
Average age	52.1	51.9
Average past service	24.6	24.1
Average future service:		
▶ To full eligibility age	8.8	9.5
▶ To expected retirement	9.0	10.2
<b>Currently Receiving Benefits</b>		
Retired participants and surviving spouses:		
▶ Number:		
– Under age 65	51	51
– Age 65 and over	<u>165</u>	<u>164</u>
– Total	216	215
▶ Average age	71.3	70.7
Dependents:		
▶ Number:		
– Under age 65	36	37
– Age 65 and over	<u>75</u>	<u>80</u>
– Total	111	117
▶ Average age	68.2	67.4

## Plan Provisions

### Medical Benefits

Eligibility	Employees who are age 55 with ten consecutive years of prior service are eligible for medical benefits.
Service	Service is credited beginning at age 45 for retiree medical benefits.
Spouse eligibility	Spouses are covered under the medical plan with coverage continuing for the life of the spouse in the event of a retiree's death.

### 2007 Retiree Contributions

	<u>Pre-65</u>	<u>Post-65</u>
New retirees (after 1998)	19% of total cost	20% of total cost
Grandfathered retirees	Various contribution percentages depending on age and service at retirement.	

For retirements after January 1, 1997, the percentages given above are increased by the following percentages based on the age at retirement.

<u>Age</u>	<u>% Increase</u>	<u>Age</u>	<u>% Increase</u>
55	124%	58	112%
56	120%	59	108%
57	116%	60	104%
		61	102%
		62+	100%

Benefit Options

	<b><u>Passive PPO Plan</u></b>		<b><u>PPO</u></b>		<b><u>EPO</u></b>
	<u>Low Deductible</u>	<u>High Deductible</u>	<u>In-of-Network</u>	<u>Out-Network</u>	
<b>Deductible:</b>	\$300	\$1,250		\$250	\$200 hospital \$20 office visit
<b>Coinsurance:</b> <i>(Most charges)</i>	80%	80%	90%	70%	100% after copay
<b>Out-of-Pocket Maximum:</b> <i>(Not including deductible)</i>	\$2,500	\$5,000	\$1,250	\$2,500	N/A
<b>Lifetime Maximum:</b>	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
<b>Prescription Drug Plan:*</b>					
Retail – Brand/Generic	25%	25%	25%	25%	25%
Mail Order – Brand/Generic	25%	25%	25%	25%	25%
<b>Medical Medicare Integration:</b>	Carve-Out	Carve-Out	Carve-Out	Carve-Out	Carve-Out

\* Prescription drug employee cost-sharing is 25% with maximum copays of \$75 retail and \$150 mail order.

# *PIPELINE & STORAGE*

## *Supplemental Information*

<i>Basic Results for Postretirement Welfare Cost.....</i>	<i>SI-1</i>
<i>Postretirement Welfare Cost.....</i>	<i>SI-3</i>
<i>Actuarial Assumptions and Methods .....</i>	<i>SI-4</i>
<i>Participant Data .....</i>	<i>SI-7</i>
<i>Plan Provisions.....</i>	<i>SI-8</i>

## Basic Results for Postretirement Welfare Cost

	Fiscal Year 2007	Fiscal year 2006
<b>Service Cost</b>	\$299,921	\$332,532
<b>Accumulated Postretirement Benefit Obligation [APBO]</b>		
▶ Current retirees	\$0	\$0
▶ Other participants fully eligible for benefits	204,491	193,171
▶ Other active participants	<u>2,003,831</u>	<u>1,789,802</u>
▶ Total	\$2,208,322	\$1,982,973
<b>Additional Obligation for Future Service</b>	\$2,221,479	\$2,349,289
<b>Expected Postretirement Benefit Obligation (EPBO)</b>	\$4,429,801	\$4,332,262
<b>Funded Status</b>		
▶ Fair value of assets (FV)	\$0	\$0
▶ Unfunded APBO (APBO - FV)	\$2,208,322	\$1,982,973
▶ APBO funded percentage (FV ÷ APBO)	0%	0%

	<b>Fiscal Year 2007</b>	<b>Fiscal Year 2006</b>
<b>Key Economic Assumptions</b>		
Discount rate	6.30%	5.00%
Health care cost trend rate, under age 65:		
▶ First year	8.00%	9.00%
▶ Ultimate	5.00%	5.00%
▶ Fiscal year ultimate reached	2010	2010
Health care cost trend rate, age 65 and over:		
▶ First year	8.00%	9.00%
▶ Ultimate	5.00%	5.00%
▶ Fiscal year ultimate reached	2010	2010

## Postretirement Welfare Cost

	Fiscal Year 2007	Fiscal Year 2006
<b>Postretirement Welfare Cost</b>		
Service cost	\$299,921	\$332,532
Interest cost	157,309	115,515
Expected return on assets	0	0
Amortization:		
▶ Transition obligation (asset)	0	0
▶ Prior service cost (credit)	0	0
▶ Net loss (gain)	<u>0</u>	<u>14,853</u>
Postretirement welfare cost	\$457,230	\$462,900



## Actuarial Assumptions and Methods

### Economic Assumptions

Discount rate	6.30%
Expected return on assets	5.20%
Salary rate increase	4.00%

### Medical Benefit Assumptions

Average per capita claims cost:	Age	Amount
▶ Prior to age 65	< 55	\$7,146
	55 - 59	8,516
	60 - 64	10,848
▶ Age 65 and after (net of Medicare and Part D premium)	65 - 69	1,783
	70 - 74	1,991
	75 - 79	2,116
	80 - 84	2,160
	85 - 89	2,246
	≥ 90	1,887

#### Medical plan trend rate:

- ▶ Benefit costs prior to age 65 8.00% in fiscal year 2007: reducing 1.0% per year reaching 5.00% in fiscal year 2010 and after.
- ▶ Benefit costs age 65 and later 8.00% in fiscal year 2007: reducing 1.0% per year reaching 5.00% in fiscal year 2010 and after.

#### Retiree contributions trend rate

Same as applicable medical plan trend rate.

The pre-65 cost-sharing also increases 1 percentage point per year until the target cost sharing of 20% is reached in fiscal year 2008.

#### Administrative expenses

Included in above per capita costs.

## Demographic Assumptions

### Mortality:

- ▶ Healthy RP 2000 White Collar with Mortality Improvement Projected to 2010
- ▶ Disabled RP 2000 White Collar with Mortality Improvement Projected to 2010

### Termination

Rates varying by age and service.

Sample rates:

	Age	Age	Age
	25	40	55
Rate	12.1%	4.7%	2.2%

### Retirement

Sample rates:

Age	Rate
55-58	5%
59-60	10%
61	15%
62	40%
63-64	30%
65	100%

Percentage covering spouses

70%

Spouse ages

Wives 2 years younger than husbands.

Participation rates

	Participant	Dependent
Medical	95%	95%

## Actuarial Methods

Service cost and APBO

Projected unit credit actuarial cost method, allocated in equal amounts from the valuation date on or after later of age 45 or date of hire to full eligibility date.

## Benefits Not Valued

All benefits described in the summary of plan provisions were valued.

## Change in Assumptions and Methods Since Prior Valuation

The discount rate for benefit obligations was changed from 5.00% to 6.30%.

**Data Sources**

The company furnished participant data as of July 2006, claims data through May 2006 and the accrued postretirement benefits cost as of June 30, 2006. Data were reviewed for reasonableness and consistency, but no audit was performed. Assumptions or estimates were made by Towers Perrin when data were not available. Towers Perrin is not aware of any errors or omissions in the data that would have a significant effect on the results of our calculation.

## Participant Data

	July 1, 2006	July 1, 2005
<b>Active</b>		
Number:		
▶ Fully eligible for benefits	4	3
▶ Other	<u>61</u>	<u>52</u>
▶ Total	65	55
Average age	54.1	53.7
Average past service	8.7	6.1
Average future service:		
▶ To full eligibility age	7.8	8.2
▶ To expected retirement	8.3	9.0
<b>Currently Receiving Benefits</b>		
Retired participants and surviving spouses:		
▶ Number:		
– Under age 65	0	0
– Age 65 and over	<u>0</u>	<u>0</u>
– Total	0	0
▶ Average age	N/A	N/A
Dependents:		
▶ Number:		
– Under age 65	0	0
– Age 65 and over	<u>0</u>	<u>0</u>
– Total	0	0
▶ Average age	N/A	N/A

## Plan Provisions

### Medical Benefits

Eligibility Employees who are age 55 with ten consecutive years of prior service are eligible for medical benefits.

Service\* Service is credited beginning at age 45 for retiree medical benefits.

Spouse eligibility Spouses are covered under the medical plan with coverage continuing for the life of the spouse in the event of a retiree's death.

### 2007 Retiree Contributions

	<u>Pre-65</u>	<u>Post-65</u>
New retirees (after 1998)	19% of total cost	20% of total cost

For retirements after January 1, 1997, the percentages given above are increased by the following percentages based on the age at retirement.

<u>Age</u>	<u>% Increase</u>	<u>Age</u>	<u>% Increase</u>
55	124%	58	112%
56	120%	59	108%
57	116%	60	104%
		61	102%
		62+	100%

\* 73% of service after age 45 prior to the acquisition date of 10-01-2004 is credited to employees at acquisition.

Benefit Options

	<b><u>Passive PPO Plan</u></b>		<b><u>PPO</u></b>		<b><u>EPO</u></b>
	<u>Low Deductible</u>	<u>High Deductible</u>	<u>In-of-Network</u>	<u>Out-Network</u>	
<b>Deductible:</b>	\$300	\$1,250		\$250	\$200 hospital \$20 office visit
<b>Coinsurance:</b> <i>(Most charges)</i>	80%	80%	90%	70%	100% after copay
<b>Out-of-Pocket Maximum:</b> <i>(Not including deductible)</i>	\$2,500	\$5,000	\$1,250	\$2,500	N/A
<b>Lifetime Maximum:</b>	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
<b>Prescription Drug Plan*:</b>					
Retail – Brand/Generic	25%	25%	25%	25%	25%
Mail Order – Brand/Generic	25%	25%	25%	25%	25%
<b>Medical Medicare Integration:</b>	Carve-Out	Carve-Out	Carve-Out	Carve-Out	Carve-Out

\* Prescription drug employee cost-sharing is 25% with maximum copays of \$75 retail and \$150 mail order.

**MID TEX**

***Supplemental Information***

*Basic Results for Postretirement Welfare Cost*..... *SI-1*

*Postretirement Welfare Cost*..... *SI-3*

*Actuarial Assumptions and Methods* ..... *SI-4*

*Participant Data* ..... *SI-7*

*Plan Provisions*..... *SI-8*

## Basic Results for Postretirement Welfare Cost

	Fiscal Year 2007	Fiscal year 2006
<b>Service Cost</b>	\$3,705,647	\$4,164,571
<b>Accumulated Postretirement Benefit Obligation [APBO]</b>		
▶ Current retirees	\$1,525,726	\$484,978
▶ Other participants fully eligible for benefits	1,595,817	1,357,163
▶ Other active participants	<u>20,889,774</u>	<u>20,445,331</u>
▶ Total	\$24,011,317	\$22,287,472
<b>Additional Obligation for Future Service</b>	\$29,015,441	\$33,243,778
<b>Expected Postretirement Benefit Obligation (EPBO)</b>	\$53,026,758	\$55,531,250
<b>Funded Status</b>		
▶ Fair value of assets (FV)	\$0	\$0
▶ Unfunded APBO (APBO - FV)	\$24,011,317	\$22,287,472
▶ APBO funded percentage (FV ÷ APBO)	0%	0%



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	<b>Fiscal Year 2007</b>	<b>Fiscal Year 2006</b>
<b>Key Economic Assumptions</b>		
Discount rate	6.30%	5.00%
Health care cost trend rate, under age 65:		
▶ First year	8.00%	9.00%
▶ Ultimate	5.00%	5.00%
▶ Fiscal year ultimate reached	2010	2010
Health care cost trend rate, age 65 and over:		
▶ First year	8.00%	9.00%
▶ Ultimate	5.00%	5.00%
▶ Fiscal year ultimate reached	2010	2010

## Postretirement Welfare Cost

	Fiscal Year 2007	Fiscal Year 2006
<b>Postretirement Welfare Cost</b>		
Service cost	\$3,705,647	\$4,164,571
Interest cost	1,736,873	1,319,548
Expected return on assets	0	0
Amortization:		
▶ Transition obligation (asset)	0	0
▶ Prior service cost (credit)	0	0
▶ Net loss (gain)	<u>0</u>	<u>166,940</u>
Postretirement welfare cost	\$5,442,520	\$5,651,059

## Actuarial Assumptions and Methods

### Economic Assumptions

Discount rate	6.30%
Expected return on assets	5.20%
Salary increase rate	4.00%

### Medical Benefit Assumptions

Average per capita claims cost:	Age	Amount
▶ Prior to age 65	< 55	\$7,146
	55 - 59	8,516
	60 - 64	10,848
▶ Age 65 and after (net of Medicare and Part D premium)	65 - 69	1,783
	70 - 74	1,991
	75 - 79	2,116
	80 - 84	2,160
	85 - 89	2,246
	≥ 90	1,877

#### Medical plan trend rate:

- ▶ Benefit costs prior to age 65      8.00% in fiscal year 2007: reducing 1.0% per year reaching 5.00% in fiscal year 2010 and after.
- ▶ Benefit costs age 65 and later      8.00% in fiscal year 2007: reducing 1.0% per year reaching 5.00% in fiscal year 2010 and after.

#### Retiree contributions trend rate

Same as applicable medical plan trend rate.

The pre-65 cost-sharing also increases 1 percentage point per year until the target cost sharing of 20% is reached in fiscal year 2008.

#### Administrative expenses

Included in above per capita costs.

## Demographic Assumptions

### Mortality:

- ▶ Healthy RP 2000 White Collar with Mortality Improvement Projected to 2010
- ▶ Disabled RP 2000 White Collar with Mortality Improvement Projected to 2010

### Termination

Rates varying by age and service.

Sample rates:

	Age	Age	Age
	25	40	55
Rate	12.1%	4.7%	2.2%

### Retirement

Sample rates:

Age	Rate
55-58	5%
59-60	10%
61	15%
62	40%
63-64	30%
65	100%

Percentage covering spouses

70%

Spouse ages

Wives 2 years younger than husbands.

Participation rates

	Participant	Dependent
Medical	95%	95%

## Actuarial Methods

Service cost and APBO

Projected unit credit actuarial cost method, allocated in equal amounts from the valuation date on or after later of age 45 or date of hire to full eligibility date.

## Benefits Not Valued

All benefits described in the summary of plan provisions were valued.

## Change in Assumptions and Methods Since Prior Valuation

The discount rate for benefit obligations was changed from 5.00% to 6.30%.

**Data Sources**

The company furnished participant data as of July 2006, claims data through May 2006 and the accrued postretirement benefits cost as of June 30, 2006. Data were reviewed for reasonableness and consistency, but no audit was performed. Assumptions or estimates were made by Towers Perrin when data were not available. Towers Perrin is not aware of any errors or omissions in the data that would have a significant effect on the results of our calculation.

## Participant Data

	July 1, 2006	July 1, 2005
<b>Active</b>		
Number:		
▶ Fully eligible for benefits	28	20
▶ Other	<u>728</u>	<u>654</u>
▶ Total	756	674
Average age	52.7	52.5
Average past service	5.7	5.3
Average future service:		
▶ To full eligibility age	8.7	9.4
▶ To expected retirement	8.8	10.0
<b>Currently Receiving Benefits</b>		
Retired participants and surviving spouses:		
▶ Number:		
– Under age 65	11	2
– Age 65 and over	<u>1</u>	<u>0</u>
– Total	12	2
▶ Average age	55.1	47.0
Dependents:		
▶ Number:		
– Under age 65	5	1
– Age 65 and over	<u>0</u>	<u>0</u>
– Total	5	1
▶ Average age	50.0	31.0

## Plan Provisions

### Medical Benefits

Eligibility	Employees who are age 55 with ten consecutive years of prior service are eligible for medical benefits.
Service*	Service is credited beginning at age 45 for retiree medical benefits.
Spouse eligibility	Spouses are covered under the medical plan with coverage continuing for the life of the spouse in the event of a retiree's death.

### 2007 Retiree Contributions

	<u>Pre-65</u>	<u>Post-65</u>
New retirees (after 1998)	19% of total cost	20% of total cost

For retirements after January 1, 1997, the percentages given above are increased by the following percentages based on the age at retirement.

<u>Age</u>	<u>% Increase</u>	<u>Age</u>	<u>% Increase</u>
55	124%	58	112%
56	120%	59	108%
57	116%	60	104%
		61	102%
		62+	100%

\* 73% of service after age 45 prior to the acquisition date of 10-01-2004 is credited to employees at acquisition.

## Benefit Options

	<b><u>Passive PPO Plan</u></b>		<b><u>PPO</u></b>		<b><u>EPO</u></b>
	<u>Low Deductible</u>	<u>High Deductible</u>	<u>In-of-Network</u>	<u>Out-Network</u>	
<b>Deductible:</b>	\$300	\$1,250		\$250	\$200 hospital \$20 office visit
<b>Coinsurance:</b> <i>(Most charges)</i>	80%	80%	90%	70%	100% after copay
<b>Out-of-Pocket Maximum:</b> <i>(Not including deductible)</i>	\$2,500	\$5,000	\$1,250	\$2,500	N/A
<b>Lifetime Maximum:</b>	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
<b>Prescription Drug Plan:*</b>	25%	25%	25%	25%	25%
Retail – Brand/Generic	25%	25%	25%	25%	25%
Mail Order – Brand/Generic					
<b>Medical Medicare Integration:</b>	Carve-Out	Carve-Out	Carve-Out	Carve-Out	Carve-Out

\* Prescription drug employee cost-sharing is 25% with maximum copays of \$75 retail and \$150 mail order.



**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 77**  
**Witness: Gary Smith**

**Data Request:**

On page 2, paragraph 6 of the application, the Company states that the requested rate increase increases the average residential monthly bill by \$3.90, or 5.6%. Please reconcile this to the information shown on FR10(10)(n), which indicates that the requested rate increase increases the average residential monthly bill by \$3.96, or 6.35%.

**Response:**

The figure referenced in the Application is the total for the average residential customer based upon the forecast test year billing determinants and gas costs. The calculation is as follows:

1-Residential Sales Revenues @ Present Distribution Rates (A) -	\$129,508,705
2-Residential Sales Revenues @ Proposed Distribution Rates (B) -	<u>\$136,702,990</u>
3-Increase Amount -	\$ 7,194,285
4-Residential Customers (C) -	153,815
5-Average Increase per customer (line 3 divided by line 4 divided by 12) -	\$3.90
6-Average overall increase (line 3 divided by line 1) -	5.6%

As the footnotes explain on FR(10)(10)(n), the calculation is based on the average Mcf requirements for residential customers in the forecast test year (rounded to the nearest ccf), and applies the November 1, 2006 GCA (\$8.79/Mcf) to both current and proposed distribution rate structures. This calculation was performed in this fashion to correspond with the GCA basis utilized in public notices. The forecast test year average gas cost per Mcf for residential customers, for comparative purposes, is \$10.28/Mcf.

Notes: (A) – reference column (3), line (3) of FR 10(10)(c)2.1 and Exhibit GLS-5, page 1 of 2, sum of cells on line 7, column (n) plus line 9, column (m).

(B) – reference Exhibit GLS-7, sum of cells on line 1, column (o) plus line 8, column (o).

(C) – reference FR 10(10)(i)2 and Exhibit GLS-7, line 2, column (o) divided by 12.

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 78**  
**Witness: Gary Smith**

**Data Request:**

Please reconcile the rate increase amount of \$10,405,936 referenced on page 2 of the application to the rate increase amount of \$10,409,950 shown on Schedule A.

**Response:**

The amount shown on page 2 of the Application was a typographical error. It should read \$10,409,936. This amount is the increase generated by the proposed rate structures for the Company. The slightly larger number shown on Schedule A is the calculated revenue deficiency under current rates.

**Atmos Energy Corporation, Kentucky**

**Case No. 2006-00464**

**Attorney General Initial Data Request Dated February 20, 2007**

**DR Item 79**

**Witness: James Cagle & Tom Petersen**

**Data Request:**

Please provide the dates of the Company's most recent 5 general base rate proceedings, as well as the actual expenses associated with each of these 5 rate cases.

**Response:**

Virginia – 2004	\$239,095.16
Georgia – 2005	\$193,566.47
Missouri – 2006	\$250,614.30
Texas (Mid-Tex) – 2006	\$5,132,214.92
Tennessee – 2006	\$235,256.16

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 80**  
**Witness: Gary Smith**

**Data Request:**

Please provide the Company's estimate of the costs associated with each of the annual filings under the proposed Customer Rate Stabilization process. These estimated costs should include the cost of preparing all financial schedules, the efforts involved in the review process by the PSC and AG, the implementation of the new rates, and all miscellaneous charges (notices, advertising, legal, etc.)

**Response:**

In response to this question, please see Company's responses to KPSC DR 2-56(h), KPSC DR 2-58(d) and KPSC DR 2-62. The Company has not made an estimate of the incremental costs to be incurred by the Commission and AG.

**Atmos Energy Corporation, Kentucky**

**Case No. 2006-00464**

**Attorney General Initial Data Request Dated February 20, 2007**

**DR Item 81**

**Witness: Gary Smith**

**Data Request:**

On tariff sheet 42.2, the statement is made that the financial schedules to be filed under the CRS mechanism "shall identify the rate adjustments necessary for both a true-up of revenue for the Evaluation Period and the setting of prospective rates for the Rate Effective Period.

In the determination of whether the Company's earnings during the Evaluation Period exceed or are below the latest allowed return on common equity (for true-up purposes), is it the Company's intention to compare its latest authorized common equity rate to the *actual unadjusted achieved Evaluation Period common equity rate that has only been adjusted by the removal of expenses and investments that were disallowed for ratemaking purposes by the Commission in the Company's most recent rate case*? For example, in determining the realized return on equity during the Evaluation Period for true-up purposes, will the Company use actual 13-month average rate base components, adjusted to remove the PSC assessment fee prepayments, assuming that the rates set for this same Evaluation Period were based on these ratemaking principles? And in determining the realized return on equity during the Evaluation Period, will the Company use the actual "as it falls" operating income for the Evaluation Period, adjusted only for the removal of items that were disallowed by the PSC in setting the rates for this Evaluation Period (such adjustments could, for example, include the removal of certain incentive compensation expenses, donations, promotional and institutional advertising expenses, lobbying expenses, etc.)?

Or is it the Company's intention -- in the determination as to whether the Company's earnings during the Evaluation Period exceed or are below the latest allowed return on common equity (for true-up purposes) -- to compare its latest authorized common equity rate to the *pro forma adjusted achieved Evaluation Period common equity rate* that has been adjusted for normalization and annualization adjustments. For example, in this evaluation process, will the Company use a "year-end" rate base or a rate base that includes post-Evaluation Period capital additions? And will the Company adjust the actual Evaluation Period operating income to include pro forma normalization and annualization adjustments, and any other forward-looking adjustments? For example, if the Evaluation Period is, say, calendar year 2006 and the Company had a wage increase in October 2006 and another wage increase in May of 2007, will the Company adjust the actual Evaluation Period operating income by annualizing the October 2006 wage increase and by reflecting the annualized impact of the May 2007 wage increase? And, as another example, will the Company make an adjustment to weather-normalize the actual Evaluation Period operating results?

Please provide detailed comments on all of the questions raised above.

**Response:**

Of the two statements posited in the AG's question, it is the former which is accurate, not the latter. Please refer also to the Company's response to KPSC DR 2-57(c).

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 82**  
**Witness: Gary Smith**

**Data Request:**

Assume that the Rate Effective Period under the proposed CRS mechanism runs from May 1, 2007 through April, 2008. Please provide the following clarifications:

- a. Under the Company's proposal, how exactly would it determine the rate base used to set rates for the rate effective period? For example, is the rate base based on the 13-month average rate base balances budgeted for May 1, 2007 through April 2008, plus another 6 months worth of capital additions? If not, please explain.
- b. Under the Company's proposal, how exactly would it determine the operating income used to set rates for the rate effective period? For example, would the Company use the actual Evaluation Period's operating income as the starting point and then make pro forma adjustments to this starting point to make the operating income representative of what can be expected in the Rate Effective Period?
- c. Under the Company's proposal, how exactly would it determine the capital structure and debt cost rates used to set rates for the rate effective period?

**Response:**

- a. No. The use of the "six months of budgeted capital additions" was meant as a surrogate for the use of a 13-month projected average rate base over the Rate Effective Period. There is no intent to project 18 months forward during this prospective review.
- b. Yes.
- c. Capital structure and debt cost would be projected for the Rate Effective Period based upon the best information available to the Company at the time of the filing.

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 83**  
**Witness: Gary Smith**

**Data Request:**

As part of the proposed CRS mechanism, the Company is proposing to increase utility plant for the Rate Effective Period to reflect six months of budgeted capital additions. In this regard, please provide the following clarifications:

- a. Provide additional clarifications as to what this means. For example, is the Company proposing to reflect an additional six months worth of post-Rate Effective Period budgeted capital additions? Please explain.
- b. Why is it appropriate to reflect six months of budgeted capital additions for utility plant without a matching proposal to similarly reflect six months worth of growth in the embedded depreciation reserve, customer advances and accumulated deferred income tax balances?

**Response:**

- a. Please see Company's response to AG DR 1-82(a).
- b. The intent of our proposal is that the projections of rate base in the Rate Effective Period include accumulated depreciation, customer advances, deferred income taxes, etc. as well as capital additions.

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 84**  
**Witness: Gary Smith**

**Data Request:**

As part of the proposed CRS mechanism, the Company is proposing a 45-day review period for the Commission and the Office of the Attorney General. How does the Company envision this review process to be structured so that interested parties such as the PSC and AG would have sufficient time and opportunity to perform a thorough review of these annual filings?

**Response:**

Please see Company's response to KPSC DR 2-58(c).



**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 85**  
**Witness: Greg Waller**

**Data Request:**

Please provide a detailed listing, description and quantification of the following expenses included in the above-the-line forecasted test year O&M expenses of Atmos – Kentucky. These expenses should include direct Kentucky expenses as well as expenses allocated from the SSU and General Office:

- a. Travel expenses
- b. Meals and Entertainment expenses
- c. Expenses related to alcohol
- d. Lodging expenses
- e. Employee welfare expenses.

**Response:**

See attachment labeled Case 2006-00464 AGDR1-85 ATT for responses to a-e above.

Atmos Energy Corporation, KY  
Case No. 2006-00464  
AG DR1-85

	(a)	(b)	(c)	(d)	(e)	(f)
	<b>KY only</b>	<b>SSU</b>	<b>Gen Off</b>	<b>(a) + (b) + (c)</b>	<b>Applicable adj.</b>	<b>(d) - (e) Net total</b>
				<b>Gross total</b>		
a. Travel expenses	28,094	24,510	38,976	91,580	23,362	68,218
b. Meals & Entertainment exp	32,839	35,553	48,162	116,554	29,341	87,213
c. Expenses related to alcohol	These expenses are included in (b) above.					
d. Lodging expenses	24,423	16,158	35,123	75,704	13,302	62,402
e. Employee welfare expenses	45,678	36,688	94,061	176,427		176,427

**Note: Applicable adjustment (column "e") refers to the amounts relating to executive expense reports that were removed from revenue requirement with the rate making adjustment discussed in response AG DR1-59.**

**Note: Employee welfare expenses include items such as service awards, uniforms and miscellaneous employee welfare expense. Included in the miscellaneous category are items such as breakroom supplies, flower funds, golf tournaments and receptions (of which the golf tournaments and receptions are detailed in the response to AG DR1-57). Excluded from this amount are costs related to non-retirement and incentive programs.**

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 86**  
**Witness: Greg Waller**

**Data Request:**

If the above-the-line forecasted test year O&M expenses include expenses associated with the acquisition of TXU Gas by Atmos, please provide the following information:

- a. Detailed description of the type of allocated acquisition-related expenses included in this case, as well as a dollar breakout of these allocated expenses.
- b. Reasons why the Company believes that these allocated expenses should be charged to the Kentucky ratepayers.

**Response:**

- a. The above-the-line forecasted test year O&M expenses do not include expenses associated with the acquisition of TXU Gas by Atmos.
- b. No expenses associated with the acquisition of TXU Gas by Atmos are being charged to the Kentucky ratepayers.

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 87**  
**Witness: Don Roff**

**Data Request:**

Please provide copies of all workpapers underlying Exhibits DSR-3 and DSR-4 (Depreciation Studies), in hard copy or, when available, in electronic format with all formulae intact.

**Response:**

Please see attached hardcopy and CD of both the Kentucky and Shared Services Depreciation Study Workpapers, collectively labeled AG DR1-87 ATT.

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 88**  
**Witness: Don Roff**

**Data Request:**

Please provide all information obtained by Mr. Roff, and/or Depreciation Specialty Resources from Company operating personnel, and separately, financial management personnel, relative to current operations and future expectations in the preparation of the Depreciation Studies. Please include any information provided to Mr. Roff during the evaluation phase of each study (Roff testimony, pages 7-8) and all notes taken during any meetings with Company personnel regarding these studies. Identify by name and title, all Atmos personnel who provided the information, and explain the extent of their participation and the information they provided.

**Response:**

Please see the responses, attached hereto and labeled AG DR1-88 ATT, provided by the following personnel of Atmos personnel to questions asked by Mr. Roff regarding the depreciation studies: Gary Smith – VP Marketing & Regulatory Affairs of the Kentucky/Mid-States Division, Greg Waller – VP Finance of the Kentucky/Mid-States Division, Rad Cook – VP Technical Services of the Kentucky/Mid-States Division, Doug Stearns – Mgr. Engineering (Storage & Transmission) of the Kentucky/Mid-States Division, Sid Hudson – Financial Analyst of the Kentucky/Mid-States Division, and John Johnson – Rate Analyst in Atmos' Rates Department.

## Response to AG-1-088

### Atmos Kentucky – Depreciation Study Questions

1. Account 325.40 – Rights-of-Way related to what? Production lines and Tributary lines, which are fully depreciated.
2. Account 352 – How many wells? 60 wells Any plugging requirements? Only if wells deteriorate beyond repair, or the field is abandoned or retired. Can we get an estimate to plug a well? In Kentucky we estimate about \$5,000 each.
3. Account 352.03 – Is this really just one vintage? No. In 2000, these assets were transferred from Account 999911: Cushion Gas. This amount was a reconciling item in the 1997 depreciation study.
4. Account 354 – How many compressors? 4 storage compressors. Explain 1997 COR. This would have been from the overhaul of the St. Charles engine and compressor.
5. Account 365.2 – What was added in 2002? Beaver Dam 4” extension.
6. Account 366 – What was added in 2004? Compressor Station Bldgs. at \$189K, Fence at \$10K.
7. Account 367 – What was added in 1995 and 2002? 1995: 2”-12” Steel Main, Groundbed, Rectifier. 2002: 3”-12” Steel Main. Is Company’s ASL expectation similar to A/C 376? Yes.
8. Account 369 – What was added in 1995? Valves, filters, regulators, odorizers, pressure transducers.
9. Account 374.02 – What would cause a retirement? A main that is retired from service without a replacement would make the ROW unnecessary. Street abandonments would be another situation where main would be retired and the ROW should be retired with it. What was added in 2004? Purchase property and 8” ROW at Bon Harbor Storage Field.
10. Account 376 – What is mix: steel, plastic, etc? Cathodic Protection: 10%, Steel: 65%, Plastic: 25%. Any cast iron or bare steel? Very little – will need to confirm with engineers. Explain 1996 salvage. \$359,733 – meters/junk meters, \$47,034 – reimbursements.
11. Account 380 – What was retired in 2001? PE Plastic Pipe and Services. What are Company’s ASL expectations? 45 years.

12. Account 381 – Explain 2003 retirement. There were a number of meters that were on the books that many thought had been retired in previous years that were still showing up. These obsolete meters were retired in 2003.
13. Account 382 – Provide a description of a meter loop. The meter loop is from the inlet stop through the house regulator and piping to the outlet stop.
14. Account 384 – What creates a retirement? Any regulator that will not maintain set point or lockup is retired as well as any regulator that is damaged by outside forces.
15. Account 386 – What is account content? 1<sup>st</sup> Cut Regulator. Transferred to Account 378 – M&R Station Equipment.
16. Account 390 – What was added in 2003? Repaving parking lots and remodel of offices.
17. Account 391 – What was added in 2004? desks, shelving, lockers and other office furniture equipment.
18. Account 392 – What are assets? 1 trailer and 15 trucks.
19. Account 394 – What was retired in 2004? Air compressors, boring machines and gas detectors.
20. Account 396 – What are assets? Trenchers w/ ditch witches, backhoes, industrial mowers, welders, bobcats.
21. Account 397 – What are assets? Radio towers, modems, telephone systems, monitors, antennas, base stations, cell phones, paging equipment, telephones, radios, mobile radios, mobile units, video conference system.
22. Account 398 – What are assets? Televisions, refrigerators, vacuums, mowers, VCRs, microwaves, other misc. equipment.
23. Account 399.03 – What are assets? Hardware upgrade of MV-90 and other network hardware.

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 89**  
**Witness: Don Roff**

**Data Request:**

Please identify all plant tours taken during the preparation of the Depreciation Studies.

- a. Identify those in attendance and their titles and job descriptions.
- b. Provide all conversation notes taken during the tour.
- c. Provide all photographs and images taken during the tour.

**Response:**

There were no plant tours taken during the preparation of the Depreciation Studies.



**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 90**  
**Witness: Dan Meziere**

**Data Request:**

Please provide all internal and external audit reports, management letters, consultants' reports etc. from 2001-2006, inclusive, which address in any way, the Company's property accounting and/or depreciation practices.

**Response:**

Please see the company's filing volume 8, tab 2, FR 10 9(q).

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 91**  
**Witness: Dan Meziere**

**Data Request:**

Provide copies of all Board of Director's minutes and internal management meeting minutes from 2001-2006, inclusive, in which the subject of the Company's depreciation rates or retirement unit costs were discussed.

**Response:**

There are no Board of Director's minutes nor internal management meeting minutes in which the subject of the Company's depreciation rates or retirement unit costs were discussed.

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 92**  
**Witness: Dan Meziere**

**Data Request:**

Provide copies of all internal correspondence from 2001-2006, inclusive, which deals in any way with the Company's retirement unit costs, gas and/or common depreciation rates, and/or the Depreciation Studies.

**Response:**

See Attachment Case 2006-00464 AG DR1-92 ATT1 -- ATT5

-----Original Message-----

From: Petersen, Thomas H.  
Sent: Friday, August 04, 2006 10:54 AM  
To: Johnson, John  
Subject: RE: stuff

Looks fine to me!

-----Original Message-----

From: Johnson, John  
Sent: Friday, August 04, 2006 10:49 AM  
To: Petersen, Thomas H.  
Subject: FW: stuff

Tom:

Please review the attached engagement letter and let me know if you want any changes made.

Thx.

John C. Johnson  
Atmos Energy Corporation  
Rates Analyst  
(972) 855-3127

-----Original Message-----

From: Donald Roff [mailto:donald.roff@verizon.net]  
Sent: Friday, August 04, 2006 10:05 AM  
To: Johnson, John  
Subject: RE: stuff

JJ:

See attached. If this is okay, I will sign it and drop it off next week.

Don

-----Original Message-----

From: Johnson, John [mailto:John.Johnson@atmosenergy.com]  
Sent: Friday, August 04, 2006 8:48 AM  
To: Donald Roff  
Subject: RE: stuff

I don't think so. Just update the date and send it to me.

Thx.

John C. Johnson  
Atmos Energy Corporation  
Rates Analyst  
(972) 855-3127

-----Original Message-----

From: Donald Roff [mailto:donald.roff@verizon.net]  
Sent: Friday, August 04, 2006 9:46 AM  
To: Johnson, John  
Subject: RE: stuff

Case 2006-00464 AG DR1-92 ATT1.txt

John:

I was looking at my files, and I had already prepared an engagement letter for Kentucky dated 5/18/2006. Do you (or Tom) have that?

Don

-----Original Message-----

From: Johnson, John [mailto:John.Johnson@atmosenergy.com]  
Sent: Friday, August 04, 2006 6:42 AM  
To: Donald Roff  
Subject: RE: stuff

Alright!

John C. Johnson  
Atmos Energy Corporation  
Rates Analyst  
(972) 855-3127

-----Original Message-----

From: Donald Roff [mailto:donald.roff@verizon.net]  
Sent: Friday, August 04, 2006 7:39 AM  
To: Johnson, John  
Subject: stuff

JJ:

First things first, I have the User's Guide on Deprsys7. Later today I will e-mail you a draft engagement letter for Kentucky. I have to run some errands first.

Don

Case 2006-00464 AG DR1-92 ATT2.txt

MessageFrom: Waller, Greg  
Sent: Friday, September 29, 2006 11:27 AM  
To: Schneider, Jason  
Cc: Johnson, John; Hudson, Sidney W.  
Subject: FW: Kentucky Depreciation Study

approved - gkw  
-----Original Message-----  
From: Johnson, John  
Sent: Friday, September 29, 2006 11:22 AM  
To: Waller, Greg  
Subject: FW: Kentucky Depreciation Study

Greg:

In conducting the Kentucky Book Depreciation Study, I noticed we have one regulator in the amount of \$5,693 booked to Account 386 - Other Property on Cust. Premises, which is usually not set up for this type of asset. I feel this regulator should be booked to Account 378 - M&R Station Equipment. Jason Schneider is needing your approval for this transfer. Please advise him of your decision at your earliest convenience, so he may complete this transaction. Please let me know if you have any questions regarding this matter.

Thank you,

John C. Johnson  
Atmos Energy Corporation  
Rates Analyst  
(972) 855-3127

Case 2006-00464 AG DR1-92 ATT3.txt

From: Schneider, Jason  
Sent: Wednesday, November 15, 2006 12:36 PM  
To: Johnson, John  
Cc: Petersen, Thomas H.  
Subject: RE: SSU Late Retirements

Attachments: retirements\_010\_200611\_JJ.xls

John,

Here are the retirements that we processed yesterday.

Jason

---

From: Johnson, John  
Sent: Tuesday, November 14, 2006 12:34 PM  
To: Schneider, Jason  
Cc: Petersen, Thomas H.  
Subject: SSU Late Retirements

Jason:

In reference to our meeting with Tom, I wanted to get an estimation from you on when we might receive the late retirements we can include on our 2002 Shared Services Book Depreciation Study.

Thanks,

John C. Johnson  
Atmos Energy Corporation  
Rates Analyst  
(972) 855-3127

**From:** Johnson, John  
**Sent:** Tuesday, November 14, 2006 12:34 PM  
**To:** Schneider, Jason  
**Cc:** Petersen, Thomas H.  
**Subject:** SSU Late Retirements

Jason:

In reference to our meeting with Tom, I wanted to get an estimation from you on when we might receive the late retirements we can include on our 2002 Shared Services Book Depreciation Study.

Thanks,

John C. Johnson  
Atmos Energy Corporation  
Rates Analyst  
(972) 855-3127



**From:** Cagle, James C.

**Sent:** Tuesday, August 08, 2006 5:29 PM

**To:** South, Jane

**Attachments:** Electronic Copy 2002 study SS.TIF

*Atmos Energy  
Corporation*

*Depreciation Study of General Office Property  
as of September 30, 2002*

Deloitte & Touche LLP  
 JPMorgan Chase Tower, Ste 1600  
 2200 Ross Avenue  
 Dallas, Texas 75201-6778

Tel: (214) 840-7000  
 www.deloitte.com



October 2002

Atmos Energy Corporation  
 P.O. Box 650205  
 Dallas, Texas 75265

Attention: Mr. Thomas Petersen

In accordance with your request and with the cooperation and participation of your staff, a book depreciation study of General Office property has been conducted. The study covered all depreciable property and recognized addition and retirement experience through September 30, 2002. The purpose of the study was to determine if the existing depreciation rates remain appropriate for the property, and, if not, to recommend changes. Changes are recommended.

A comparison of the effect of the existing account rates and the recommended account rates is shown below, based on depreciable plant balances as of September 30, 2002:

<u>Function</u>	<u>Composite Depreciation Rate</u>	
	<u>Existing</u>	<u>Recommended</u>
General Office	9.06%	16.49%

The above summary is taken from Schedule 1, which shows the annual depreciation provisions calculated from the existing and recommended rates and differences for the General Office. Based on September 30, 2002 depreciable balances, the recommended rates will result in an annual increase in depreciation

provisions of \$11,424,506. The increase can be attributed to both shorter average service lives and reserve position. The mortality characteristics for the existing and recommended rates are shown on Schedule 2.

The recommended rates are calculated using the remaining life technique, coupled with the equal life group procedure.

The following sections of this report describe the methods of analysis used, the bases for the conclusions reached and recommendations for both immediate and future action by Atmos Energy Corporation (the "Company").

We appreciate this opportunity to serve Atmos Energy Corporation and would be pleased to meet with you to discuss further the matters presented in this report, if you desire.

Yours truly,

*Deloitte & Touche LLP*

### PURPOSE OF DEPRECIATION

Book depreciation accounting is the process of recognizing in financial statements the consumption of physical assets in the process of providing a service or a product. Generally accepted accounting principles require the recording of depreciation provisions to be systematic and rational. To be systematic and rational, depreciation should, to the extent possible, match either the consumption of the facilities or the revenues generated by the facilities. Accounting theory requires the matching of expenses with either consumption or revenues to ensure that financial statements reflect the results of operations and changes in financial position as accurately as possible. The matching principle is often referred to as the cause and effect principle; thus, both the cause and the effect are required to be recognized for financial accounting purposes. This study was conducted in a manner consistent with the matching principle of accounting.

Because utility revenues are determined through regulation, asset consumption is not automatically reflected in revenues. Therefore, the consumption of utility assets must be measured directly by conducting a book depreciation study to accurately determine its mortality characteristics.

Matching is also an essential element of basic regulatory philosophy and has become known as "intergenerational customer equity." Intergenerational equity means the costs are borne by the generation of customers that caused them to be incurred, not by some earlier or later generation. This matching is required to ensure that charges to customers reflect the actual costs of providing service.

### DEPRECIATION DEFINITIONS

The Uniform System of Accounts prescribed for gas utilities by the Federal Energy Regulatory

Commission followed by the Company states that:

“Depreciation” as applied to depreciable gas plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of gas plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities, and in the case of natural gas companies, the exhaustion of mutual resources.

“Service value” means the difference between original cost and net salvage value of gas plant.

“Net salvage value” means the salvage value of property retired less the cost of removal.

“Salvage value” means the amount received for the property retired less any expenses incurred in connection with the sale or in preparing the property for sale, or, if retained, the amount at which the material is chargeable to materials and supplies, or other appropriate account.

“Cost of removal” means the cost of demolishing, dismantling, tearing down or otherwise removing gas plant, including the cost of transportation and handling incidental thereto.

As is clear from the wording of the salvage value and cost of removal definitions, it is the salvage that will actually be received and the cost of removal that will actually be incurred, both measured at the price level at the time of receipt or incurrence, that is required to be recognized in the depreciation rates of the Company.

These definitions are consistent with the purpose of depreciation, and the study reported here was conducted in a manner consistent with both.

### ACCOMPLISHMENT OF ACCOUNTING AND REGULATORY PRINCIPLES

Utility depreciation accounting is a group concept. Inherent in this concept is the assumption that all property is fully depreciated at the time of retirement, regardless of age, and there is no attempt to record the depreciation applicable to individual components of the groups. The depreciation rates are based on the recognition that each depreciable property group has an average service life. However, very little of the property is "average." The group concept carries with it recognition that most property will be retired at an age either less than or greater than the average service life. The study recognized the existence of this variation through the identification of Iowa-type retirement dispersion patterns for all property groups.

The depreciation study required to determine the applicable mortality characteristics is independent from the calculation of the depreciation rates. The resulting mortality characteristics can be used to calculate either average life group ("ALG") or equal life group ("ELG") rates, both with either the whole life technique or the remaining life technique. Any set of mortality characteristics that is suitable for calculating ALG rates is just as suitable for calculating ELG rates. Conversely, any set that is not suitable for ELG is not suitable for ALG either. ALG and ELG are straight-line procedures that reflect life measured by time, with ALG utilizing average life, and ELG utilizing actual life. For ALG, all property in the group is assumed to have a life equal to the average of the group. ELG recognizes that, in reality, only a small portion of the group retires at an age equal to the average service life. For the average to exist, about half of the investment in an asset group will be retired at ages less than average life, a small amount at average life and the rest at ages greater than average life. It is the use of this dispersion in the rate calculation that causes ELG rates to better match cost recovery with the use of and benefit from property. Thus, the ELG procedure best accomplishes the purpose of book depreciation accounting by ensuring that the recording of depreciation provisions matches the actual consumption of the physical

assets. Since ELG matches the recording of consumption with the actual consumption, customers will pay the actual costs incurred to serve them. For this reason, ELG rates are recommended.

A detailed discussion of the Equal Life Group Procedure is included in the Appendix to this report.

### THE BOOK DEPRECIATION STUDY

Implementation of a policy toward book depreciation that recognizes the purpose of depreciation accounting requires the determination of the mortality characteristics that are applicable to surviving property. The purpose of the depreciation study reported here was to accurately measure those mortality characteristics and to use the characteristics to determine appropriate rates for accrual of depreciation expenses.

The major effort of the study was the determination of the appropriate mortality characteristics. The remainder of this report describes how those characteristics were determined, describes how the mortality characteristics were used to calculate the depreciation rates and presents the results of the rate calculations.

The study consisted of the following steps:

Step One was a Life Analysis consisting of determination of historical retirement experience and an evaluation of the applicability of that experience to surviving property.

Step Two was a Salvage and Cost of Removal Analysis consisting of a study of salvage value and cost of removal experience, and an evaluation of the applicability of that experience to surviving property.



Step Three consisted of the determination of average service lives, retirement dispersion patterns identified by Iowa-type curves and the net salvage factors applicable to surviving property.

Step Four was the determination of the depreciation rate applicable to each depreciable property group, recognizing the results of the work in Steps One through Three, and a comparison with the existing rates.

### LIFE ANALYSIS

The Life Analysis for the property concerns the determination of average service lives and Iowa type retirement dispersion patterns. An analysis of historical retirement activity, suitably tempered by informed judgment as to the future applicability of such activity to surviving property, formed the basis for determination of average service lives and retirement dispersion patterns. Retirement experience through September 30, 2002 was analyzed using the actuarial method of Life Analysis. The actuarial method could be used because the vintage of retired and surviving property is known.

In order to recognize trends in life characteristics and to ensure that the valuable information in the curves is available to the analyst, actual survivor curves were calculated and plotted by computer using several different periods of retirement experience. The periods (year bands) of retirement experience analyzed were (1) the past five years, (2) the past 10 years (3) and the full extent of available history. The average service lives and retirement dispersion patterns indicated by these actual survivor curves were identified by visually fitting Iowa-type standard curves to each of the actual curves and plotting the results. This visual approach ensures that the data contained in the actual survivor curves, and input data, and the trends are available to the analyst, and that the analyst does not allow computer calculations to be the sole determinant of study results.

### SALVAGE AND COST OF REMOVAL ANALYSIS

Salvage and cost of removal experience from 1993 through 2002 was the basis for determining the net salvage factors used. The analysis was done in a manner that allows selection of separate salvage and cost of removal factors for most depreciable property groups. The analysis consisted of calculating the experienced salvage and cost of removal factors for each property group by dividing salvage and cost of removal amounts by the original cost of the retired property. Factors are expressed as percentages, and were calculated for annual, rolling and shrinking bands of retirement experience. Due to limited activity in the update period, no change was made to the net salvage factors developed in the prior study.

### EVALUATION OF ACTUAL EXPERIENCE

Life Analysis and Salvage and Cost of Removal Analysis involve the measurement of what has occurred in the past. History is often a misleading indication of the future. There are many kinds of events that can cause history to be misleading, among them significant changes contemplated in the underlying accounting procedures and/or changes in other management practices, such as maintenance procedures. It is the evaluation phase of a depreciation study that identifies if history is a good indication of the future. Blind acceptance of history often results in selecting mortality characteristics to use for calculating depreciation rates that will provide recovery over a time period longer than productive life.

For each property group, the analysis processes involved only historical retirement experience. Since the depreciation rates will be applied to surviving property, the historical mortality experience indicated by the Life and the Salvage and Cost of Removal Analyses was evaluated to ensure that the mortality characteristics used to calculate the rates are applicable to surviving property. The evaluation is required to ensure the validity of the recommended depreciation rates.

The evaluation process requires knowledge of the type of property surviving, the type of property retired, the reasons for changing life, dispersion, salvage and cost of removal, and the effect of present and future Company plans on the property mortality characteristics. The evaluation included discussions with Company accounting, engineering and operating personnel, determination of the type of property recorded in a number of accounts and special analyses of retirements to identify the type of property retired and reasons for retirement.

#### CALCULATION OF DEPRECIATION RATES

A straight-line remaining life rate for each depreciable property group was calculated using the following formula:

$$\text{Rate} = \frac{\text{Plant Balance} - \text{Net Salvage} - \text{Book Reserve}}{\text{Average Remaining Life}}$$

Formula numerator elements in percent of depreciable balance and the denominator in years produce a rate in percent. This formula illustrates that a remaining life rate recognizes the book reserve position. The depreciable balances and book reserves were taken from accounting records, and the net salvage factors were determined by the study.

The remaining lives for each property group are a function of the age distribution of surviving plant and the selected average service life and Iowa dispersion pattern.

#### General Office

The rate increased from 9.06% to 16.49%, primarily because of a mix of shorter average service lives and recognition of reserve position.

### RESERVE COMPARISON

Because remaining life rates are recommended, a comparison of the accumulated provision for depreciation and the calculated theoretical reserve as of September 30, 2002 is not meaningful, and no comparison is presented. This is because the only way a reserve difference can exist is through the use of whole life rates.

### RECOMMENDATIONS

Our recommendations for your future actions in regard to book depreciation are as follows:

1. The annual depreciation rates shown in Column 6 of Schedule 1 and the mortality characteristics shown in columns 6, 7 and 10 of Schedule 2 are applicable to existing property and are recommended for implementation at such time as their effect can be incorporated into service rates.
2. Because of variation of life and net salvage experience with time, a depreciation study should be made during 2007 based on retirement experience through September 30, 2006. Exact timing of the study should be coordinated with a retail rate case to ensure timely implementation of revised depreciation rates.

ATMOS ENERGY CORPORATION - GENERAL OFFICE (DIV. 2)  
Book Depreciation Study as of September 30, 2002  
Comparison of Depreciation Rates and Annual Amounts

SCHEDULE 1

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Account Number	Description	9/30/02 Balance \$	Existing Rates %	Annual Amount \$	Study Rates %	Annual Amount \$	Increase or (Decrease) \$
<u>GENERAL PLANT</u>							
390.09	Improvements to Leased Premises	8,897,125	7.43	661,056	12.26	1,090,788	429,731
391.00	Office Furniture and Equipment (Gnl)	9,532,135	4.89	466,121	3.29	313,607	(152,514)
391.03	Office Furniture and Equipment (Other)	1,160,987	2.22	25,774	1.17	13,584	(12,190)
397.00	Communication Equipment	9,428,825	7.12	671,332	11.64	1,097,515	426,183
398.00	Miscellaneous Equipment	662,671	5.36	35,519	20.86	138,233	102,714
399.00	Other Tangible Property	224,866	15.75	35,416	23.99	53,945	18,529
399.01	Servers Hardware	8,279,271	14.29	1,183,108	28.15	2,330,615	1,147,507
399.02	Servers Software	6,320,551	14.29	903,207	29.95	1,893,005	989,798
399.03	Network Hardware	211,839	14.29	30,272	29.09	61,624	31,352
399.06	PC Hardware	4,486,960	16.83	755,155	47.16	2,116,050	1,360,895
399.07	PC Software	1,835,852	17.73	325,497	26.52	486,868	161,371
399.08	Application Software	76,809,983	8.22	6,313,781	17.02	13,073,059	6,759,279
399.09	Mainframe System Software	2,588,228	22.16	573,551	6.21	160,729	(412,822)
399.24	General Startup Cost	<u>23,172,326</u>	8.33	<u>1,930,255</u>	10.81	<u>2,504,928</u>	<u>574,674</u>
	Total Depreciable General Plant	<u>153,611,619</u>	9.06	<u>13,910,045</u>	16.49	<u>25,334,551</u>	<u>11,424,506</u>
	Unrecorded Retirements	16,632,482					
	Fully Depreciated	<u>2,366,785</u>					
	Total General Office Facilities	<u>172,610,886</u>					

ATMOS ENERGY CORPORATION - GENERAL OFFICE (DIV. 2)  
 Book Depreciation Study as of September 30, 2002  
 Comparison of Mortality Characteristics

SCHEDULE 2

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
Account Number	Description	EXISTING PARAMETERS			STUDY PARAMETERS				
		ASL yrs.	lowa Curve	Net Salvage %	ASL	lowa Curve	Gross Salvage %	Cost of Removal %	Net Salvage %
<b><u>GENERAL PLANT</u></b>									
390.09	Improvements to Leased Premises	10.0	SQ	0	10.0	SQ	0	0	0
391.00	Office Furniture and Equipment (Gnl)	20.0	L1	5	30.0	R2	0	0	0
391.03	Office Furniture and Equipment (Other)	20.0	L1	5	15.0	R2.5	0	0	0
397.00	Communication Equipment	10.0	L3	0	10.0	L3	0	0	0
398.00	Miscellaneous Equipment	15.0	R2	0	10.0	S6	5	0	5
399.00	Other Tangible Property	5.0	SQ	0	5.0	SQ	0	0	0
399.01	Servers Hardware	7.0	SQ	0	5.0	SQ	0	0	0
399.02	Servers Software	7.0	SQ	0	5.0	SQ	0	0	0
399.03	Network Hardware	7.0	SQ	0	5.0	SQ	0	0	0
399.06	PC Hardware	5.0	R4	0	4.0	SQ	0	0	0
399.07	PC Software	5.0	R4	0	4.0	SQ	0	0	0
399.08	Application Software	10.0	R4	0	8.0	S1.5	0	0	0
399.09	Mainframe System Software	5.0	R4	0	10.0	S1.5	0	0	0
399.24	General Startup Cost	12.0	SQ	0	10.0	SQ	0	0	0

## CALCULATION OF EQUAL LIFE GROUP DEPRECIATION RATES

It is the group concept of depreciation that leads to the existence of the ELG procedure of calculating depreciation rates. This concept has been an integral part of utility depreciation accounting practices for many years. Under the group concept, there is no attempt to keep track of the depreciation applicable to individual items of property. This is not surprising, in view of the millions of items making up a utility system. Any item retired is assumed to be fully depreciated, no matter when retirements occur. The group of property would have some average life. "Average" is the result of an arithmetic calculation, and there is no assurance that any of the property in the group is "average."

The term "average service life" used in the context of book depreciation is well known, and its use in the measurement of the mortality characteristics of property carries with it the concept of retirement dispersion. If every item were average, thereby having exactly the same life, there would be no dispersion. The concept of retirement dispersion recognizes that some items in a group live to an age less than the average service life and other items live longer than the average. Retirement dispersion is often identified by standard patterns.

The Iowa-type dispersion patterns that are widely used by electric and gas utilities were devised empirically about 60 years ago to provide a set of standard definitions of retirement dispersion patterns. Figure 1 shows the dispersion patterns for three of these curves. The L series indicates the mode is to the Left of average service life, the R series to the Right, and the S series at average service life, and therefore, Symmetrical. There is also an O series, which has the mode at the Origin, thereby identifying a retirement pattern that has the maximum percentage of original installations retired during the year of placement.

The subscripts on Figure 1 indicate the range of dispersion, with the high number (4) indicating a narrow dispersion pattern, and the low number (1) indicating a wide dispersion pattern. For example, the R1

curve shown on the Figure indicates retirements start immediately and some of the property will last twice as long as the average service life. The dispersion patterns translate to survivor curves, which are the most widely recognized form of the Iowa curves. Other families of patterns exist, but are not as widely used as the Iowa type.

The methods of calculating depreciation rates are categorized as straight-line and non-straight-line.

Non-straight-line methods can be accelerated or deferred. There are three basic procedures for calculating straight-line book depreciation rates:

Units-of-Production

Average Life Group (ALG)

Equal Life Group (ELG)

Each of these procedures can be calculated using either the whole life or the remaining life technique.

Productive life may be identified by (a) a life span or (b) a pattern of production or usage. If production or usage is the suitable criterion, depreciation should be straight-line over life measured by time. Units-of-Production is straight-line over production or usage, while the others are straight-line over life measured by time. ALG is straight-line over the average life of the group, while ELG is straight-line over the actual life of the group.

The formulas for the whole life and remaining life techniques are shown on Table 1. For the ELG calculation procedure, Formulas 1 and 3 are applied to the individual equal life components of the property group. For the ALG calculation, the formulas are applied to the property group itself. Formula 2 is applied to the property group for either ELG or ALG. Use of the units (percent and years) in the formulas results in rates as a percent of the depreciable plant balance. The depreciable plant balance is the surviving balance at the time the rate is calculated, and is expressed as a percentage (always 100) of



itself. Salvage and reserves are expressed as a percent of the depreciable plant balance. For example, a property group having a 35-year average service life and negative 5% salvage would have an ALG whole life rate of  $(100 + 5)/35$ , or 3.00%.

The first term of Formula 2 is identical to Formula 1 for the whole life rate. The second term of Formula 2 illustrates that the difference between a remaining life rate and whole life rate is the allocation of the difference between the book and calculated theoretical reserves over the remaining life by a remaining life rate.

The widely used ALG procedure of depreciation rate calculation does not recognize the existence of retirement dispersion in the calculation. The difference between the ALG and ELG procedures is the recognition of the existence of retirement dispersion in the ELG rate calculation. ELG is a rate calculation procedure, nothing more. The data required to make the ELG calculation are average service life, retirement dispersion, net salvage and the age distribution of the property. The depreciation study required to determine the applicable mortality characteristics is independent from the calculation of the depreciation rates. The resulting mortality characteristics can be used to calculate either ALG or ELG rates, both with either the whole life technique or the remaining life technique. Any set of mortality characteristics that is suitable for calculating ALG rates is just as suitable for calculating ELG rates. Conversely, any set that is not suitable for ELG is not suitable for ALG either.

The ELG procedure calculates the depreciation rates based on the expected life of each equal life component of the property rather than the average life of all components. As discussed earlier, "average" is the result of a calculation and there may not be any "average" property. When curves are used to define retirement dispersion, the average service life and the retirement dispersion pattern define the equal life groups and the expected life applicable to each group.

When retirement dispersion does not exist, the ELG rate is identical to the ALG rate. When dispersion exists, the ELG rate for recently installed property is higher than the ALG rate, and for old property it is lower.

#### A Simple Illustration ELG

This illustration provides a framework for visualizing the ELG methodology. Table 2 assumes 20% of the \$5,000 investment is retired at the end of each year following placement. The retirement frequencies are shown on Line 7. As shown in Columns 2 through 6, this means \$1,000 of investment is retired each year, with the retirement at Age 1 being recovered in its entirety during Year One, at Age 2 in Years One and Two, etc. The depreciation rate applicable to each equal life group is shown on Line 8. The annual provision in dollars for Year One shown in Column 7 is made up of the Age 1 annual amounts shown on Line 1, Columns 2 through 6. As shown on the Table, the annual provision for Age 2 is equal to the annual provision for Age 1 less the amount collected during Year One applicable to the group retired during Year One. Thus, the annual provisions can be thought of as a matrix, with the provision for any given year being produced by a portion of the matrix.

The depreciation rates in Column 9 are determined by dividing the annual provisions in Column 7 by the survivors in Column 8. The rate formula shown on Table 2 can also be used to calculate the rates and is used on the Table to illustrate the working of the matrix by calculating the depreciation rates for Year One and Year Three. For Year One, the numerator and denominator both consist of five terms. Each year, the left-hand term of both numerator and denominator drop off. It should be noted that the reverse summation of retirement ratios (starting with Column 6 and moving left on Line 7) is equal to the survivor ratio at the beginning of the period shown in Column 10.

The formula can illustrate how the matrix can be thought of in terms of a depreciation rate. If the multiplier of 100 is incorporated in each element of the numerator of the formula, such as  $(100 \times 0.2)/2$ ,

it can be seen that  $100/2$  is a rate and the retirement frequency (0.2) is a weighting factor. This particular rate (50%) is the one shown for Age 2 property on Line 8, Column 3.

It can be seen that the only data required for the ELG rate calculation are the retirement frequencies for each year. These frequencies are defined by the average service life and the shape of the dispersion pattern.

### A Real Illustration of ELG

The depreciation analyst deals with much larger groups of property than those appearing on Table 2. Table 3 contains an ELG rate calculation for an actual depreciable property group. The retirement frequencies shown in Column 4 are defined by the 38-year average service life and the L5 Iowa-type dispersion pattern. The ALG rate without salvage for this property is 2.632% ( $100\%/38$  years), while the ELG rate varies from 2.704% at age 0.5 years to 1.471% at the age just prior to the last retirement, 67.5 years.

The rate listed in Column 5 at each age is the weighted summation of individual rates applicable to that portion of the surviving property the retirement frequencies in Column 4 indicate will be retired in each following year. This combination of average service life and dispersion pattern means that the first retirement will be from the age 18.5 year property during the following year at an age of 19 years; therefore, it will require a rate of 5.263% ( $100\%/19$  years). (This example does not have any surviving balance at age 18.5.) The last retirement will be from age 67.5 year property; consequently, it will require a rate of 1.471% ( $100\%/68$  years). The vintage composite rate shown in Column 5 at age 0.5 years is the weighted summation of rates varying from 5.263% to 1.471%.

Since this example is for a narrow dispersion pattern, the first retirement occurs at age 19 years and the vintage composite rate remains at 2.704% at age 19.5 years, because the first retirement drops the 5.263% rate from the summation.

A wider dispersion pattern would result in a wider range of vintage composite rates than defined by the L5 curve (2.704% to 1.471%).

All that are necessary for calculating the depreciation rates applicable to each age of property are the retirement frequencies. These frequencies are defined by the average service life and the retirement dispersion pattern. The determination of average service life requires the determination of the dispersion pattern, since without dispersion there would be no "average."

Depending on the dispersion pattern, the number of retirement frequencies making up the complete Iowa curve can be up to about 4.4 times the number of years of average service life. Thus, for an account whose number of retirement frequencies is three times the average service life and whose average service life is 30 years, the rate applicable to the Age 1 property will be made up of the weighted summation of 89 components, etc. Thus, the rate calculation process is complex, but certainly not complicated. It is this complexity that makes the rate calculations much more practical using a computer.

# RETIREMENT DISPERSION DEFINED BY IOWA TYPE CURVES

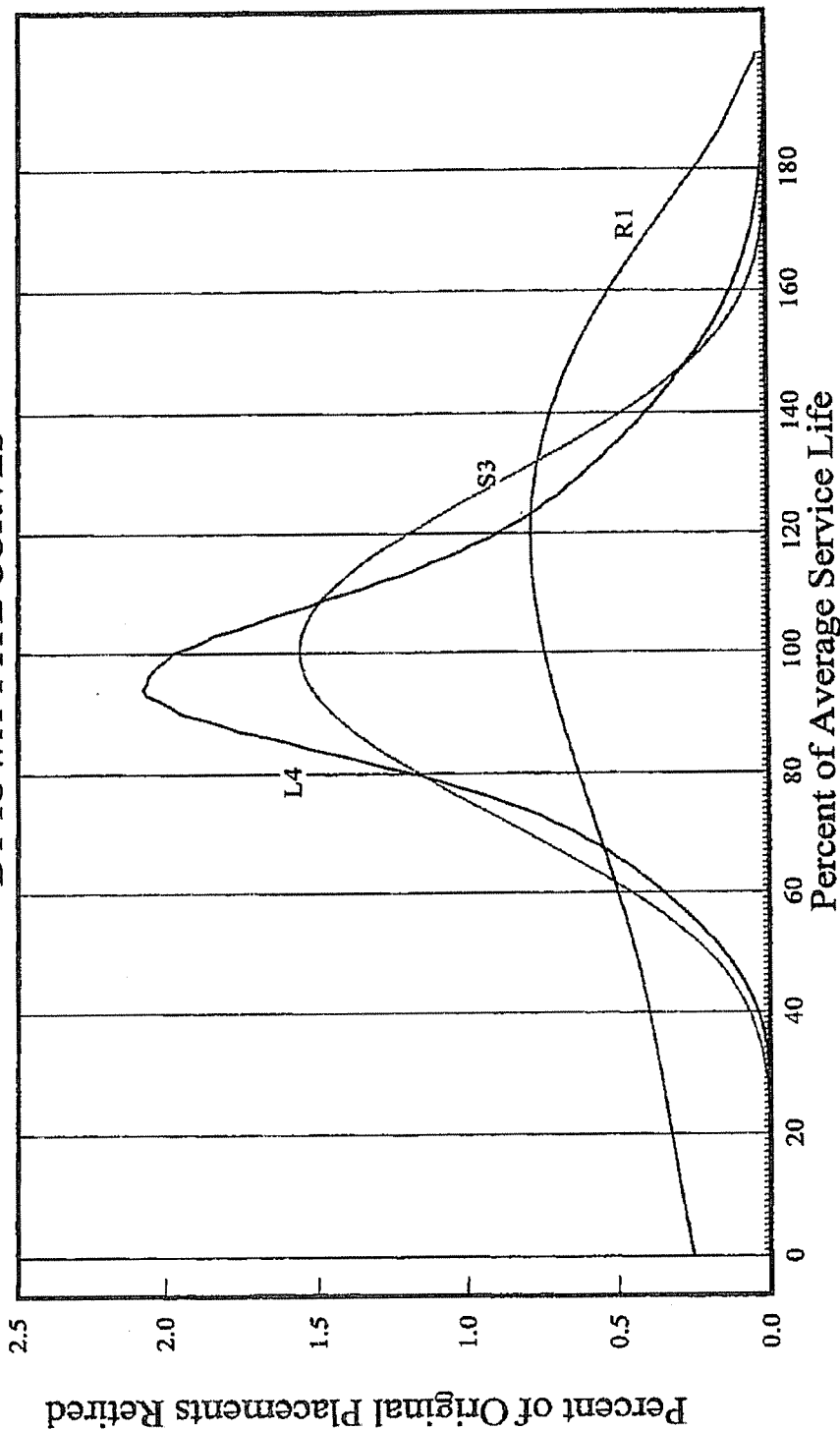


TABLE 1

## DEPRECIATION RATE CALCULATION PROCEDURES

Whole Life

$$\text{Rate (\%)} = \frac{\text{PB} - \text{S}}{\text{ASL}} \quad \text{Formula 1}$$

Remaining Life

$$\text{Rate (\%)} = \frac{\text{PB} - \text{S}}{\text{ASL}} - \frac{\text{BR} - \text{CT}}{\text{ARL}} \quad \text{Formula 2}$$

$$\text{Rate (\%)} = \frac{\text{PB} - \text{FS} - \text{BR}}{\text{ASL}} \quad \text{Formula 3}$$

## Where

- PB is Depreciable Balance, %  
 AS is Average Net Salvage, %  
 FS is Future Net Salvage, %  
 ASL is Average Service Life, years  
 BR is Depreciation Reserve, %  
 CTR is Calculated Theoretical Reserve, %  
 ARL is Average Remaining Life, year

TABLE 2

DEVELOPMENT OF EQUAL LIFE GROUP CAPITAL RECOVERY RATE

Line	(1) Age Years	(2) Group.1 \$	(3) Group.2 \$	(4) Group.3 \$	(5) Group.4 \$	(6) Group.5 \$	(7) Annual Provision \$	(8) Beginning Survivors \$	(9) Rate %	(10) Survivor Factor
1	1	1,000.00	500.00	333.33	250.00	200.00	2,283.33	5,000.00	45.67	1.00
2	2		500.00	333.33	250.00	200.00	1,283.33	4,000.00	32.08	0.80
3	3			333.33	250.00	200.00	783.33	3,000.00	26.11	0.60
4	4				250.00	200.00	450.00	2,000.00	22.50	0.40
5	5					<u>200.00</u>	200.00	1,000.00	20.00	0.20

Rate, % =  $\frac{\text{Retirements Frequencies}}{\text{Age at Retirement}} \times 100$

Reverse of Retirement Frequencies

Year One Rate =  $\frac{0.2 + 0.2 + 0.2 + 0.2 + 0.2}{1 \quad 2 \quad 3 \quad 4 \quad 5} \times 100 = 45.67\%$

Year Three Rate =  $\frac{0.2 + 0.2 + 0.2}{3 \quad 4 \quad 5} \times 100 = 26.11\%$

TABLE 3

DETERMINATION OF DEPRECIATION RATES BY ELG PROCEDURES

[1] Age Years	[2] Year	[3] Vintage Balance \$	[4] Retirement Frequency ASL 38 Curve L5	[5] Rate	[6] Amount \$
0.5	1993	4,244,285	0.0000	0.02704	114,758.36
1.5	1992	800,784	0.0000	0.02704	21,651.86
2.5	1991	60,016	0.0000	0.02704	1,622.73
3.5	1990	43,455,063	0.0000	0.02704	1,174,952.00
4.5	1989	81,456	0.0000	0.02704	2,202.43
5.5	1988	172,463	0.0000	0.02704	4,663.11
6.5	1987	2,098,991	0.0000	0.02704	56,753.20
7.5	1986	2,685,949	0.0000	0.02704	72,623.55
9.5	1984	1,642,443	0.0000	0.02704	44,408.90
10.5	1983	222,602	0.0000	0.02704	6,018.78
11.5	1982	85,661	0.0000	0.02704	2,316.13
12.5	1981	4,985	0.0000	0.02704	134.79
13.5	1980	72,942	0.0000	0.02704	1,972.23
14.5	1979	219,163	0.0000	0.02704	5,925.80
15.5	1978	120,665	0.0000	0.02704	3,262.58
16.5	1977	37,042	0.0000	0.02704	1,001.55
17.5	1976	339,236	0.0000	0.02704	9,172.21
19.5	1974	336,723	0.0001	0.02703	9,101.41
20.5	1973	10,375,359	0.0004	0.02702	280,292.86
21.5	1972	4,481,906	0.0009	0.02699	120,963.25
22.5	1971	5,923,340	0.0018	0.02695	159,618.98
23.5	1970	78,848	0.0030	0.02689	2,119.97
24.5	1969	305,178	0.0047	0.02681	8,180.42
25.5	1968	10,312,586	0.0069	0.02670	275,375.94
26.5	1967	2,754,067	0.0094	0.02658	73,203.24
27.5	1966	9,558,786	0.0123	0.02644	252,715.77
29.5	1964	5,556,083	0.0194	0.02610	144,995.54
30.5	1963	23,383	0.0242	0.02589	605.42
31.5	1962	3,313,564	0.0305	0.02566	85,012.50
32.5	1961	32,271	0.0386	0.02538	819.15
33.5	1960	151,658	0.0482	0.02507	3,802.24
34.5	1959	171,483	0.0583	0.02472	4,238.70
35.5	1958	167,116	0.0674	0.02433	4,065.35
36.5	1957	70,420	0.0740	0.02390	1,683.22
37.5	1956	1,792,312	0.0768	0.02345	42,036.33
39.5	1954	2,270,555	0.0701	0.02252	51,131.79
40.5	1953	187	0.0622	0.02206	4.13
41.5	1952	20,185	0.0531	0.02161	436.14
42.5	1951	12,860	0.0442	0.02118	272.40
43.5	1950	706	0.0362	0.02078	14.67
44.5	1949	2,652	0.0296	0.02041	54.13
45.5	1948	6,422	0.0245	0.02006	128.81
46.5	1947	19,573	0.0205	0.01972	386.07
47.5	1946	323,058	0.0173	0.01940	6,268.69
49.5	1944	2,285,041	0.0123	0.01879	42,943.47
50.5	1943	15,614	0.0103	0.01850	288.86
51.5	1942	620,752	0.0085	0.01821	11,306.36
53.5	1940	684,610	0.0055	0.01766	12,090.28
54.5	1939	47,173	0.0043	0.01740	820.76
55.5	1938	22,725	0.0033	0.01714	389.52
56.5	1937	560	0.0025	0.01689	9.46
57.5	1936	722	0.0019	0.01664	12.02
59.5	1934	3,065	0.0005	0.01573	48.21
61.5	1932	944,400	0.0005	0.01573	14,853.98
67.5	1926	2	0.0000	0.01471	0.03
Totals		<u>119,029,691</u>			<u>3,133,730.27</u>
				SALVAGE (%) =	-5.0
				AFTER SALVAGE =	<u>3,290,417</u>
				ANNUAL DEPRECIATION RATE =	<u>2.76</u>



**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 93**  
**Witness: Don Roff**

**Data Request:**

Provide copies of all external correspondence from 2001-2006, inclusive, including correspondence with Mr. Roff and/or Depreciation Specialty Resources, which deals in any way with the Company's retirement unit costs, gas depreciation rates, and/or the Depreciation Studies.

**Response:**

Please see the attached engagement letter for the 2005 Kentucky Book Depreciation Study, labeled AG DR1-93 ATT1, and the attached engagement letter for the 2006 SSU Book Depreciation Study, labeled AG DR1-93 ATT2.



*Depreciation  
Specialty  
Resources*

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May 18, 2006

Mr. Thomas Petersen  
Director, Rate Department  
Atmos Energy Corporation  
Three Lincoln Center  
5430 LBJ Freeway  
Dallas, Texas 75240

Dear Mr. Peterson:

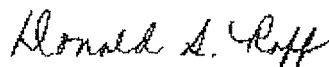
The purpose of this letter is to provide a broad scope of services and cost estimate for assisting Atmos Energy Corporation with a depreciation study for its Kentucky gas properties. I propose to bill on an hourly basis for our study participation, including data preparations, life analyses, salvage and cost of removal analyses, evaluations of history and development of recommended depreciation rates. My hourly rate will be \$300. I estimate our fees for the Gas Depreciation Study to be in the range of \$25,000 - \$30,000, plus out-of-pocket expenses. Should regulatory participation be required including, but not limited to, preparation of responses to data requests, development of written direct and rebuttal testimony or oral cross examination, the hourly rate will be \$400.

Our study will include review of historical accounting data, life analysis, salvage and cost of removal analysis, evaluation of results, discussions with property accounting and operations personnel, selection of appropriate mortality parameters, calculation of recommended depreciation rates, preparation of a written report and development of a work paper package.

We want to emphasize that the final determination of appropriate depreciation rates is a management function. As such, our study will make recommendations regarding action by your management, but management will make the ultimate determination of depreciation policy. The ultimate approval of depreciation rates may rest with the Kentucky Public Service Commission.

I look forward to working with you and your staff again. Should you require additional information, please contact me directly at the number below.

Truly yours,



Donald S. Roff  
President



September 14, 2006

Mr. Thomas Petersen  
Director, Rate Department  
Atmos Energy Corporation  
Three Lincoln Center  
5430 LBJ Freeway  
Dallas, Texas 75240

Dear Mr. Petersen:

The purpose of this letter is to provide a broad scope of services and cost estimate for assisting Atmos Energy Corporation with a depreciation study for its General Office ("Shared Services") properties. I propose to bill on an hourly basis for our study participation, including data preparations, life analyses, salvage and cost of removal analyses, evaluations of history and development of recommended depreciation rates. My hourly rate will be \$300. I estimate our fees for the Depreciation Study to be in the range of \$15,000 - \$20,000, plus out-of-pocket expenses. Should regulatory participation be required including, but not limited to, preparation of responses to data requests, development of written direct and rebuttal testimony or oral cross examination, the hourly rate will be \$400.

Our study will include review of historical accounting data, life analysis, salvage and cost of removal analysis, evaluation of results, discussions with property accounting and operations personnel, selection of appropriate mortality parameters, calculation of recommended depreciation rates, preparation of a written report and development of a work paper package.

We want to emphasize that the final determination of appropriate depreciation rates is a management function. As such, our study will make recommendations regarding action by your management, but management will make the ultimate determination of depreciation policy. The ultimate approval of depreciation rates may rest with the various regulatory bodies across the Atmos system.

I look forward to working with you and your staff again. Should you require additional information, please contact me directly at the number below.

Truly yours,

Donald S. Roff  
President

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 94**  
**Witness: Don Roff**

**Data Request:**

Provide copies of all industry statistics available to Mr. Roff and/or Atmos relating to gas company depreciation rates. Also, identify all industry statistics upon which Mr. Roff or the Company relied in formulating the depreciation proposals.

**Response:**

There were no industry statistics relied upon by Mr. Roff.

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 95**  
**Witness: Don Roff**

**Data Request:**

Which accounting method is reflected in the life studies; "location-life" or "cradle-to-grave"?

**Response:**

The "cradle-to-grave" method is reflected in the life studies.

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 96**  
**Witness: Don Roff**

**Data Request:**

What is the impact of the accounting method used, i.e., "location-life or "cradle-to-grave" on the lives calculated in the Depreciation Studies?

**Response:**

Neither "location-life" nor "cradle-to-grave" had any specific impact on the lives calculated in the depreciation studies.

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 97**  
**Witness: Dan Meziere**

**Data Request:**

Provide explanatory examples of the debits and credits relating to customer advances and contributions-in-aid of construction.

**Response:**

Please see attachment labeled Case 2006-00464 AG DR1-97 ATT.

Atmos Energy Corporation, Kentucky  
Case No. 2006-00464  
Attorney General Initial Data Request Dated February 20, 2007  
DR Item 97  
Witness: Dan Meziere

		Customer advances for construction	
2520 -			
			\$2,000 (1)
(4)	\$1,800		
(5)	\$200		
<hr/>		<hr/>	<hr/>
	\$2,000		\$2,000

		Accounts Payable	
2320 -			
(2)	\$100,000		
			\$100,000 (2)
<hr/>		<hr/>	<hr/>
	\$100,000		\$100,000

		Cash	
1310 -			
(1)	\$2,000		
			\$100,000 (2)
			\$1,800 (4)
<hr/>		<hr/>	<hr/>
	\$2,000		\$101,800

		Construction Work in Progress	
1070 -			
(2)	\$100,000		
			\$100,000 (3)
			\$200 (5)
(6)	\$200		
<hr/>		<hr/>	<hr/>
	\$100,200		\$100,200

		Utility Plant in Service	
1010 -			
(3)	\$100,000		
			\$200 (6)
<hr/>		<hr/>	<hr/>
	\$100,000		\$200

**Flow of Activity**

- 1 Receipt of cash and signed contract agreement for developer to install 20 lots @ \$100 over 10 years (\$2,000).
- 2 Perform Capital Work
- 3 Set up used and useful asset
- 4 Throughout the 10 year term, the developer installed 18 lots; and the company refunded \$1,800 (18 lots @ \$100)
- 5 Forfeiture of the remaining \$200 (\$2,000 - \$1,800 refunded)
- 6 Attach forfeiture to assets originally created.

**Net Asset = \$99,800**



**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 98**  
**Witness: Dan Meziere**

**Data Request:**

Provide explanatory examples of the debits and credits relating to the accounts for which depreciation is charged to clearing accounts.

**Response:**

Please see the attachment hereto labeled AG DR1-98 ATT.

Atmos Energy Corporation, Kentucky  
Case No. 2006-00464  
Attorney General Initial Data Request Dated February 20, 2007  
DR Item 98  
Witness: Dan Meziere

1080 - Accumulated Provision for Depreciation	
	\$100 (1)
\$0	\$100

4030 - Depreciation Expense	
(1) \$100	
	\$10 (2)
\$100	\$10

1070-07600 CWIP Accruals	
(2) \$10	
	\$10 (3)
\$10	\$10

1840-13836 Clearing Account - Plant Accounting entry clearing	
(3) \$10	
	\$10 (4)
\$10	\$10

1070 - CWIP (O/H Proj. 040.1000)	
(4) \$10	
\$10	\$0

**Flow of Activity**

- 1 Depreciation Expense is booked - January
- 2 Current Month Capitalized Depreciation Expense is moved to 1070-07600 - Jan
- 3 Clearing prior months entry to 1070-07600 - Feb
- 4 Recording to Overhead Project - Feb

**Explanation**

Monthly depreciation expense is calculated for each applicable plant account. A portion of vehicle and power operated equipment depreciation expense is moved to the CWIP accrual account based on capitalization percentages established for each cost center. The following month the CWIP accrual account entry from the previous accounting month is moved to the plant accounting clearing account. The clearing account is then cleared to move the capitalized portion of depreciation expense to the appropriate overhead project within the business unit.

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 99**  
**Witness: Dan Meziere**

**Data Request:**

Provide a copy of the Company's current capitalization policy. If the policy has changed at all since 2000, provide a copy of all prior policies in effect during any portion of that period.

**Response:**

Please see the attachment labeled Case 2006-00464 AG DR1-99 ATT for the requested information.

**Atmos Energy Corporation**  
**Utility Property, Plant and Equipment**  
**Accounting Policy**

**2006**

*Utility property, plant and equipment* — Utility property, plant and equipment is stated at original cost, net of contributions in aid of construction. The cost of additions includes direct construction costs, payroll related costs (taxes, pensions and other fringe benefits), administrative and general costs and an allowance for funds used during construction. The allowance for funds used during construction represents the estimated cost of funds used to finance the construction of major projects and are capitalized in the rate base for ratemaking purposes when the completed projects are placed in service. Interest expense of \$3.6 million, \$2.5 million and \$1.2 million was capitalized in 2006, 2005 and 2004.

Major renewals, including replacement pipe, and betterments that are recoverable under our regulatory rate base are capitalized while the costs of maintenance and repairs that are not recoverable through rates are charged to expense as incurred. The costs of large projects are accumulated in construction in progress until the project is completed. When the project is completed, tested and placed in service, the balance is transferred to the utility plant in service account included in the rate base and depreciation begins.

Utility property, plant and equipment is depreciated at various rates on a straight-line basis over the estimated useful lives of the assets. These rates are approved by our regulatory commissions and are comprised of two components, one based on average service life and one based on cost of removal. Accordingly, we recognize our cost of removal expense as a component of depreciation expense. The related cost of removal accrual is reflected as a regulatory liability on the consolidated balance sheet. At the time property, plant and equipment is retired, removal expenses less salvage, are charged to the regulatory cost of removal accrual. The composite depreciation rate was 3.9 percent, 4.0 percent and 3.8 percent for the years ended September 30, 2006, 2005 and 2004.

**2005**

*Utility property, plant and equipment* -- Utility property, plant and equipment is stated at original cost net of contributions in aid of construction. The cost of additions includes direct construction costs, payroll related costs (taxes, pensions and other fringe benefits), administrative and general costs and an allowance for funds used during construction. The allowance for funds used during construction represents the estimated cost of funds used to finance the construction of major projects and are capitalized in the rate base for ratemaking purposes when the completed projects are placed in service. Interest expense of \$2.5 million, \$1.2 million and \$0.8 million was capitalized in 2005, 2004 and 2003.

Major renewals, including replacement pipe, and betterments that are recoverable under our regulatory rate base are capitalized while the costs of maintenance and repairs that are not recoverable through rates are charged to expense as incurred. The costs of large projects are accumulated in construction in progress until the project is completed. When

the project is completed, tested and placed in service, the balance is transferred to the utility plant in service account included in the rate base and depreciation begins.

Utility property, plant and equipment is depreciated at various rates on a straight-line basis over the estimated useful lives of the assets. These rates are approved by our regulatory commissions and are comprised of two components, one based on average service life and one based on cost of removal. Accordingly, we recognize our cost of removal expense as a component of depreciation expense. The related cost of removal accrual is reflected as a regulatory liability on the consolidated balance sheet. At the time property, plant and equipment is retired, removal expenses less salvage, are charged to the regulatory cost of removal accrual. The composite depreciation rate was 4.0 percent for the year ended September 30, 2005 and 3.8 percent for the years ended September 30, 2004 and 2003.

#### **2004**

*Utility property, plant and equipment* — Utility property, plant and equipment is stated at original cost net of contributions in aid of construction. The cost of additions includes direct construction costs, payroll related costs (taxes, pensions and other fringe benefits), administrative and general costs and an allowance for funds used during construction. The allowance for funds used during construction represents the estimated cost of funds used to finance the construction of major projects and are capitalized in the rate base for ratemaking purposes when the completed projects are placed in service. Interest expense of \$1.2 million, \$0.8 million and \$1.3 million was capitalized in 2004, 2003 and 2002.

Major renewals and betterments are capitalized while the costs of maintenance and repairs are charged to expense as incurred. The costs of large projects are accumulated in construction in progress until the project is completed. When the project is completed, tested and placed in service, the balance is transferred to the utility plant in service account included in the rate base and depreciation begins.

Utility property, plant and equipment is depreciated at various rates on a straight-line basis over the estimated useful lives of the assets. These rates are approved by our regulatory commissions and are comprised of two components, one based on average service life and one based on cost of removal. Accordingly, we recognize our cost of removal expense as a component of depreciation expense. The related cost of removal accrual is reflected as a regulatory liability on the consolidated balance sheet. At the time property, plant and equipment is retired, removal expenses less salvage, are charged to the regulatory cost of removal accrual. The composite depreciation rate for the years ended September 30, 2004, 2003 and 2002 was 3.8 percent.

#### **2003**

Utility property, plant and equipment is stated at original cost net of contributions in aid of construction. The cost of additions includes direct construction costs, payroll related costs (taxes, pensions and other fringe benefits), administrative and general costs and an allowance for funds used during construction. The allowance for funds used during

construction represents the estimated cost of funds used to finance the construction of major projects and are capitalized in the rate base for ratemaking purposes when the completed projects are placed in service. Interest expense of \$0.8 million, \$1.3 million and \$1.2 million was capitalized in 2003, 2002 and 2001.

Major renewals and betterments are capitalized while the costs of maintenance and repairs are charged to expense as incurred. The costs of large projects are accumulated in construction in progress until the project is completed. When the project is completed, tested and placed in service, the balance is transferred to the utility plant in service account included in the rate base and depreciation begins.

Utility property, plant and equipment is depreciated at various rates on a straight-line basis over the estimated useful lives of the assets. The composite rates are as follows:

2003.....	3.8%
2002.....	3.8%
2001.....	3.7%

At the time property, plant and equipment is retired, the cost, plus removal expenses less salvage, is charged to accumulated depreciation.

**2002**

Utility property, plant and equipment -- Utility property, plant and equipment is stated at original cost net of contributions in aid of construction. The cost of additions includes direct construction costs, payroll related costs (taxes, pensions and other fringe benefits), administrative and general costs and an allowance for funds used during construction. (See allowance for funds used during construction below). Major renewals and betterments are capitalized while the costs of maintenance and repairs are charged to expense as incurred. The costs of large projects are accumulated in construction in progress until the project is completed. When the project is completed, tested and placed in service, the balance is transferred to the utility plant in service account included in the rate base and depreciation begins. Property, plant and equipment is depreciated at various rates on a straight-line basis over the estimated useful lives of the assets. The composite rates were 3.8 percent for 2002, 3.7 percent for 2001 and 4.1 percent for 2000. At the time property, plant and equipment is retired, the cost, plus removal expenses less salvage, is charged to accumulated depreciation.

Allowance for funds used during construction -- Allowance for funds used during construction represents the estimated cost of funds used to finance the construction of major projects. Under regulatory practices, the costs are capitalized and included in rate base for ratemaking purposes when the completed projects are placed in service. Interest expense of \$1.3 million and \$1.2 million was capitalized in 2002 and 2001. No interest expense was capitalized during 2000.

**2001**

Utility property, plant and equipment -- Utility property, plant and equipment is stated at

original cost net of contributions in aid of construction. The cost of additions includes direct construction costs, payroll related costs (taxes, pensions and other fringe benefits), administrative and general costs and an allowance for funds used during construction. (See allowance for funds used during construction below). Major renewals and betterments are capitalized while the costs of maintenance and repairs are charged to expense as incurred. The costs of large projects are accumulated in construction in progress until the project is completed. When the project is completed, tested and placed in service, the balance is transferred to the utility plant in service account included in the rate base and depreciation begins. Property, plant and equipment is depreciated at various rates on a straight-line basis over the estimated useful lives of the assets. The composite rates were 3.7 percent for 2001, 4.1 percent for 2000 and 4.0 percent for 1999. At the time property, plant and equipment is retired, the cost, plus removal expenses less salvage, is charged to accumulated depreciation.

Allowance for funds used during construction -- Allowance for funds used during construction represents the estimated cost of funds used to finance the construction of major projects. Under regulatory practices, the costs are capitalized and included in rate base for ratemaking purposes when the completed projects are placed in service. Interest expense of \$1.2 million and \$3.7 million were capitalized in 2001 and 1999. No interest expense was capitalized during 2000.

### **2000**

Utility property, plant and equipment -- Utility property, plant and equipment is stated at original cost net of contributions in aid of construction. The cost of additions includes direct construction costs, payroll related costs (taxes, pensions and other fringe benefits), administrative and general costs and an allowance for funds used during construction (See AFUDC below). Major renewals and betterments are capitalized while the costs of maintenance and repairs are charged to expense as incurred. The costs of large projects are accumulated in construction in progress until the project is completed. When the project is completed, tested and placed in service, the balance is transferred to the utility plant in service account included in the rate base and depreciation begins. Property, plant and equipment is depreciated at various rates on a straight-line basis over the estimated useful lives of the assets. The composite rates were 4.1 percent for 2000 and four percent for 1999 and 1998. At the time property, plant and equipment is retired, the cost, plus removal expenses less salvage, is charged to accumulated depreciation.

Allowance for funds used during construction ("AFUDC") -- AFUDC represents the estimated cost of funds used to finance the construction of major projects. Under regulatory practices, the costs are capitalized and included in rate base for ratemaking purposes when the completed projects are placed in service. No interest expense was capitalized during 2000. Interest expense of \$3.7 million and \$4.1 million was capitalized in 1999 and 1998. The amounts in 1999 and 1998 were related to the Customer Support Center and customer information, accounting and human resource technology systems that were completed and placed in service in 1999.

**Atmos Energy Corporation, Kentucky**  
**Case No. 2006-00464**  
**Attorney General Initial Data Request Dated February 20, 2007**  
**DR Item 100**  
**Witness: Don Roff**

**Data Request:**

Identify and explain all changes since the last depreciation studies which might affect depreciation rates.

**Response:**

Mr. Roff is unaware of any significant changes since the prior depreciation study that would affect depreciation rates. However, any changes that would affect depreciation rates since the Company's last depreciation study would be reflected in the Company's books and records.