



July 31, 2015

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PUBLIC SERVICE
COMMISSION

Mr. Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

Case No. 2015-00272

RE: Pipe Replacement Program (PRP) Annual Filing

Dear Mr. DeRouen,

Atmos Energy Corporation (Company) herewith submits an original and ten copies of its annual application for a change in PRP rates related to the projected period ending September 30, 2016. In Case No. 2009-00354, the Company agreed to file a tariff sheet and all supporting exhibits within 60 days prior to an effective date. The attached filing contains two parts:

1. Second Revised Sheet No. 39 to be effective October 1, 2015.
2. Eleven exhibits which support the rates itemized on Sheet No. 39.

Please feel free to contact me at 270.685.8024 if you have any questions and/or need any additional information.

Sincerely,

A handwritten signature in blue ink that reads "Mark A. Martin".

Mark A. Martin
Vice President – Rates & Regulatory Affairs

Enclosures

cc: Randy Hutchinson
Greg Waller
Ryan Austin
Jennifer Hans

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JUL 31 2015

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

APPLICATION OF ATMOS ENERGY CORPORATION
TO ESTABLISH PRP RIDER RATES FOR THE
TWELVE MONTH PERIOD BEGINNING
OCTOBER 1, 2015

Case No. 2015-00272

APPLICATION

Comes now Atmos Energy Corporation ("Company") and respectfully applies to the Kentucky Public Service Commission ("Commission"), for approval to establish PRP Rider Rates for the 12-month period beginning October 1, 2015. In support of this Application, Company states as follows:

1. Company is a corporation duly qualified under the laws of the Commonwealth of Kentucky to carry on its business in the Commonwealth.
2. The Company is an operating public utility engaged in the business of supplying natural gas to the public in numerous cities, towns and communities in western and south central Kentucky.
3. A certified copy of Company's restated Articles of Incorporation, as amended, together with all amendments thereto, is on file in the records of the Commission and the same are incorporated herein by reference. See Case No. 2013-00148.
4. The Commission approved the Company's Pipe Replacement Program (PRP) in Case No. 2009-00354. The Company is filing this application in compliance with the Commission's Order in Case No. 2009-00354. The attached PRP has been modified, where necessary, to be consistent with the methodologies adopted by the Commission in the Company's most recent rate case (Case No. 2013-00148).

WHEREFORE, the Company respectfully requests the Commission to approve the attached PRP Rider Rates for the 12-month period beginning October 1, 2015.

Respectfully submitted this 31st day of July, 2015.



WILSON, HUTCHINSON, POTEAT & LITTLEPAGE
Mark R. Hutchinson
611 Frederica Street
Owensboro, Kentucky 42301
RANDY@WHPLAWFIRM.COM

VERIFICATION

I, Mark A. Martin, being duly sworn under oath state that I am Vice President of Rates and Regulatory Affairs for Atmos Energy Corporation, Kentucky/Midstates Division, and that the statements contained in the foregoing Petition are true as I verily believe.



Mark A. Martin

CERTIFICATE OF SERVICE

I hereby certify that on the 31st day of July, 2015 the original of this Application, together with ten (10) copies of the Application, were mailed to the Kentucky Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40206.



Mark R. Hutchinson

FOR ENTIRE SERVICE AREA

PSC KY NO. 2

SECOND REVISED SHEET NO. 39

CANCELLING PSC KY NO. 2

FIRST REVISED SHEET NO. 39

Atmos Energy Corporation
(NAME OF UTILITY)

Pipe Replacement Program Rider

4. Pipe Replacement Rider Rates

The charges for the respective gas service schedules for the revenue month beginning October 1, 2015 per billing period are:

	<u>Monthly Customer Charge</u>		<u>Distribution Charge per Mcf</u>	
Rate G-1 (Residential)	\$ 2.65		\$0.00	(I)
Rate G-1 (Non-Residential)	\$ 8.44		\$0.00	(I)
Rate G-2	\$45.56	1-15000	\$0.0177 per 1000 cubic feet	(I,R)
		Over 15000	\$0.0119 per 1000 cubic feet	(R)
Rate T-3	\$38.79	1-15000	\$0.0870 per 1000 cubic feet	(I,I)
		Over 15000	\$0.0584 per 1000 cubic feet	(I)
Rate T-4	\$40.09	1-300	\$0.1221 per 1000 cubic feet	(I,I)
		301-15000	\$0.0815 per 1000 cubic feet	(I)
		Over 15000	\$0.0574 per 1000 cubic feet	(I)

DATE OF ISSUE July 31, 2015
MONTH / DATE / YEAR

DATE EFFECTIVE October 1, 2015
MONTH / DATE / YEAR

ISSUED BY /s/ Mark A. Martin
SIGNATURE OF OFFICER

TITLE Vice President – Rates & Regulatory Affairs

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2014-00274 DATED October 10, 2014

**Atmos Energy Corporation
Pipe Replacement Program Filing
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ATMOS ENERGY CORPORATION
 KENTUCKY PIPE REPLACEMENT PROGRAM
 SURCHARGE CALCULATION OF FORCASTED ACTIVITY
 AS OF OCTOBER 2015 THROUGH SEPTEMBER 2016
 SURCHARGE SUMMARY

Line Number	Tariff Schedule	Customer Charge	Volumetric Charge
1	RESIDENTIAL (Rate G-1)	\$ 2.65	0.0000
2	NON-RESIDENTIAL (Rate G-1)	\$ 8.44	0.0000
3	INTERRUPTIBLE (Rate G-2)	\$ 45.56	
4			0.0177
5			0.0119
6	TRANSPORTATION (T-3)	\$ 38.79	
7			0.0870
8			0.0584
9	TRANSPORTATION (T-4)	\$ 40.09	
10			0.1221
11			0.0815
12			0.0574

ATMOS ENERGY CORPORATION
KENTUCKY PIPE REPLACEMENT PROGRAM
SURCHARGE CALCULATION OF FORCASTED ACTIVITY
AS OF OCTOBER 2015 THROUGH SEPTEMBER 2016
DEFICIENCY

Line Number	Description	Total
1	Project Additions	\$ 65,857,096
2	Project Retirements	(7,200,094)
3	Net Change to Gross Plant	\$ 58,657,002
4		
5	Cost of Removal to Accumulated Depr.	465,273
6	Retirements from Accumulated Depr.	7,200,094
7	Depreciation Accrual to Accumulated Depr.	(1,692,664)
8	Net Change to Accumulated Depreciation	5,972,703
9		
10	Net Change to Net Plant	\$ 64,629,705
11		
12	Accumulated Deferred Income Taxes	(2,927,312)
13	Net Change to Rate Base	\$ 61,702,393
14		
15	Rate of Return	7.71%
16	Required Operating Income	\$ 4,757,114
17		
18	Depreciation & Amortization Expense	1,247,166
19	O&M Savings	(37,372)
20	Ad Valorem Tax Increase	448,902
21	Income Taxes on Cost of Service Items	(645,232)
22	Income Taxes on Adjusted Interest Expense	(694,167)
23	Operating Income at Present Rates	\$ 319,296
24		
25	Deficiency	\$ 5,076,410
26	Tax Factor	60.70%
27	Total Proposed Rate Adjustment	\$ 8,363,748
28		
29	Project Cost True-up	\$ 127,454
30	Revenue Recovery True-up	\$ (323,785)
31	Total True-up	\$ (196,331)
32		
33	Total Rate Adjustment Plus True-up	\$ 8,167,417
34		
35	2015 approved deficiency	\$ 4,381,785
36		
37	Increase in Deficiency	\$ 3,785,632

ATMOS ENERGY CORPORATION
 KENTUCKY PIPE REPLACEMENT PROGRAM
 SURCHARGE CALCULATION OF FORCASTED ACTIVITY
 AS OF OCTOBER 2013 THROUGH SEPTEMBER 2014
 DEFICIENCY

Line Number	Description	Actuals	As Filed	
1	Project Additions	\$ 58,741,310	\$ 56,419,655	
2	Project Retirements	(4,378,228)	(7,620,179)	
3	Net Change to Gross Plant	\$ 54,363,082	\$ 48,799,476	
4				
5	Cost of Removal to Accumulated Depr.	1,596,957	1,643,471	
6	Retirements from Accumulated Depr.	4,378,228	7,620,179	
7	Depreciation Accrual to Accumulated Depr.	(2,089,570)	(2,014,149)	
8	Net Change to Accumulated Depreciation	3,885,615	7,249,501	
9				
10	Net Change to Net Plant	\$ 58,248,696	\$ 56,048,977	
11				
12	Accumulated Deferred Income Taxes	(2,770,029)	(1,917,263)	
13	Net Change to Rate Base	\$ 55,478,667	\$ 54,131,714	
14				
15	Rate of Return	8.74%	8.74%	
16	Required Operating Income	\$ 4,846,517	\$ 4,728,849	
17				
18	Depreciation & Amortization Expense	1,161,261	1,028,648	
19	O&M Savings	(19,400)	(19,400)	
20	Ad Valorem Tax Increase	475,677	426,995	
21	Income Taxes on Cost of Service Items	(629,222)	(558,699)	
22	Income Taxes on Adjusted Interest Expense	(720,557)	(703,063)	
23	Operating Income at Present Rates	\$ 267,758	\$ 174,482	
24				
25	Deficiency	\$ 5,114,275	\$ 4,903,331	
26	Tax Factor	60.70%	61.10%	
27	Total Proposed Rate Adjustment	\$ 8,426,133	\$ 8,025,091	
28				
29	2013 approved deficiency	\$ 5,421,854	\$ 5,421,854	
30				
31	Increase in deficiency	\$ 3,004,279	\$ 2,603,237	\$ 401,042
32				
33	Pro Rata True-up to Jan. 24, 2014	\$ 954,785	\$ 827,330	\$ 127,454

**ATMOS ENERGY CORPORATION
KENTUCKY PIPE REPLACEMENT PROGRAM
SURCHARGE CALCULATION OF FORCASTED ACTIVITY**

RECOVERY SCHEDULE

Line No.	Surcharge Report	Actual Recovery Year	Approved Recovery Amt	Actual Recovery Amt	Over / (Under) Recovered	Carrying Charges	Total Over / (Under)	Weighted Average Cost of Capital
1	2013	Oct-12 Sep-13	5,415,284	5,431,048	15,763	1,377	17,140	8.74%
2	2014	Oct-13 Jan-14	2,515,252	2,797,260	282,009	24,636	306,645	8.74%
3			\$ 7,930,536	\$ 8,228,308	\$ 297,772	\$ 26,013	\$ 323,785	

ATMOS ENERGY CORPORATION
KENTUCKY PIPE REPLACEMENT PROGRAM
SURCHARGE CALCULATION OF FORCASTED ACTIVITY
AS OF OCTOBER 2015 THROUGH SEPTEMBER 2016
ADDITIONS

<u>Line Number</u>	<u>Description</u>	<u>Mains</u>	<u>Services</u>	<u>Meters</u>	<u>Total</u>
1	Prior Year: 2015	29,870,768	5,893,024	261,083	36,024,876
2					
3	Current Year: 2016	25,586,439	4,047,646	198,136	29,832,221
4					
5	Total Additions	<u>\$ 55,457,207</u>	<u>\$ 9,940,670</u>	<u>\$ 459,220</u>	<u>\$ 65,857,096</u>

ATMOS ENERGY CORPORATION
KENTUCKY PIPE REPLACEMENT PROGRAM
SURCHARGE CALCULATION OF FORCASTED ACTIVITY
AS OF OCTOBER 2015 THROUGH SEPTEMBER 2016
RETIREMENTS

<u>Line Number</u>	<u>Description</u>	<u>Mains</u>	<u>Services</u>	<u>Meters</u>	<u>Total</u>
1	Prior Year: 2015	\$2,049,296	1,607,552	114,000	3,770,848
2					
3	Current Year: 2016	\$2,034,658	1,309,854	84,734	3,429,246
4					
5	Total Retirements	<u>\$ 4,083,954</u>	<u>\$ 2,917,406</u>	<u>\$ 198,734</u>	<u>\$ 7,200,094</u>

ATMOS ENERGY CORPORATION
KENTUCKY PIPE REPLACEMENT PROGRAM
SURCHARGE CALCULATION OF FORCASTED ACTIVITY
AS OF OCTOBER 2015 THROUGH SEPTEMBER 2016
DEPRECIATION EXPENSE

Line Number	Description	Mains	Services	Meters	Total
1	Net Change to Gross Plant	\$ 51,373,252	\$ 7,023,264	\$ 260,486	
2	Depreciation Rates	2.45%	4.61%	8.03%	
3	Proforma Annual Depreciation Expense	\$ 1,258,645	\$ 323,772	\$ 20,917	\$ 1,603,334
4					
5	Current Year Change to Net Plant	\$ 23,551,780	\$ 2,737,792	\$ 113,402	
6	Depreciation Rates	2.45%	4.61%	8.03%	
7	Proforma Annual Depreciation Expense	\$ 577,019	\$ 126,212	\$ 9,106	\$ 712,337
8					
9	Depreciation Accrual to Accumulated Depreciation from Prior Approved Filing				\$ 445,499
10	Accumulated Depreciation on Prior Additions (full years depreciation)				890,997
11	Accumulated Depreciation on Current Additions (half-year convention)				356,169
12					
13	Depreciation Accrual to Accumulated Depreciation				<u>\$ 1,692,664</u>

ATMOS ENERGY CORPORATION
 KENTUCKY PIPE REPLACEMENT PROGRAM
 SURCHARGE CALCULATION OF FORCASTED ACTIVITY
 AS OF OCTOBER 2015 THROUGH SEPTEMBER 2016
 DEFERRED INCOME TAXES

	9/30/2014	9/30/2015	9/30/2016	Change (9/2014 - 9/2016)
Book Activity		32,254,027	26,402,974	
Book Cost	424,233,666	456,487,693	482,890,668	
Acq ADJ	3,278,547	3,278,547	3,278,547	
Book Cost used to Calc Deferreds	427,512,213	459,766,240	486,169,215	
Tax Cost	272,802,334	295,433,757	313,934,364	
Fixed Asset Cost	(154,709,879)	(164,332,484)	(172,234,851)	
	-			
Fixed Asset Cost Tax Effected	(56,469,106)	(59,981,356)	(62,865,721)	(6,396,615)
Book Activity		(445,499)	(1,247,166)	
Book Accum	(155,504,076)	(155,949,575)	(157,196,741)	
Acq ADJ	(3,278,547)	(3,278,547)	(3,278,547)	
Book Accum used to Calc Deferreds	(158,782,624)	(159,228,122)	(160,475,288)	
Tax Accum	(195,273,579)	(196,364,398)	(199,237,933)	
Fixed Asset Accum.	(36,490,955)	(37,136,276)	(38,762,645)	
Fixed Asset Accum. Tax Effected	(13,319,199)	(13,554,741)	(14,148,365)	(829,167)
Incremental Deferred Tax Liability	(191,200,834)	(201,468,759)	(210,997,495)	(7,225,781)
Incremental Deferred Tax Asset				4,298,469
Net Incremental ADIT				(2,927,312)

ATMOS ENERGY CORPORATION
 KENTUCKY PIPE REPLACEMENT PROGRAM
 SURCHARGE CALCULATION OF FORCASTED ACTIVITY
 AS OF OCTOBER 2015 THROUGH SEPTEMBER 2016
 DEFERRED INCOME TAXES

Line Number	Description	Mains	Services	Meters	Total
1	Net Change to Gross Plant - Book 2015	\$ 27,821,472	\$ 4,285,472	\$ 147,083	\$ 32,254,027
2	Repairs Percentage	30.37%	27.36%	0.00%	
3	Less: Repairs	\$ (8,450,213)	\$ (1,172,392)	\$ -	\$ (9,622,605)
4	Tax Basis	\$ 19,371,259	\$ 3,113,081	\$ 147,083	\$ 22,631,423
5	Tax Depreciation Rates - Year 1	5.00%	3.75%	3.75%	
6	Tax Depreciation 2015	<u>\$ 968,563</u>	<u>\$ 116,741</u>	<u>\$ 5,516</u>	<u>\$ 1,090,819</u>
7	Net Change to Gross Plant - Book 2016	23,551,780	2,737,792	113,402	26,402,974
8	Repairs Percentage	30.37%	27.36%	0.00%	
9	Less: Repairs	(7,153,380)	(748,987)	-	(7,902,367)
10	Tax Basis	16,398,400	1,988,805	113,402	18,500,607
11	Tax Depreciation Rates - Year 1	5.00%	3.75%	3.75%	
12	Tax Depreciation 2016 Adds, 2016	\$ 819,920	\$ 74,580	\$ 4,253	\$ 898,753
13	Tax Depreciation Rates - Year 2	9.50%	7.219%	7.22%	
14	Tax Depreciation 2015 Adds, 2016	\$ 1,748,256	\$ 216,306	\$ 10,220	\$ 1,974,782
15	Total Tax Depreciation 2016	<u>\$ 2,568,176</u>	<u>\$ 290,886</u>	<u>\$ 14,472</u>	<u>\$ 2,873,534</u>
16	<u>Tax Rates</u>				
17	Ad Valorem Tax Rate	0.765%			
18	Income Tax Rate	38.900%			
19	State Tax Rate	6.00%			
20	Federal Tax Rate	35.00%			
21	Uncollectible accounts expense	0.50%			
22	PSC Assessment	0.16%			
23	Gross Up Factor	1.6476			

ATMOS ENERGY CORPORATION
 KENTUCKY PIPE REPLACEMENT PROGRAM
 SURCHARGE CALCULATION OF FORCASTED ACTIVITY
 AS OF OCTOBER 2015 THROUGH SEPTEMBER 2016
 DEFERRED INCOME TAXES

	Fiscal 2014 September
Kentucky Division - 009DIV	
ASSETS	
Property, Plant, Equipment	
Gas Plant in Service - Ng - Production Plant 1010-10002	680,353
Gas Plant in Service - Ng - Storage Plant 1010-10003	12,487,658
Gas Plant in Service - Transmission Plant 1010-10004	31,887,440
Gas Plant in Service - General Dist System Plant 1010-10006	364,632,077
Gas Plant in Service - General Plant 1010-10008	14,546,138
Gas plant acquisition adjustme - Acquisition Adj - Winn 1140-10011	0
Gas plant acquisition adjustme - Acquisition Adj 1140-10017	3,278,547
Utility Plant	427,467,994
Nonutility Plant	-
Construction Work in Progress	22,844,220
Total PP&E	450,312,214
Accum Prov for Depreciation - Default 1080-00000	(161,405,750)
Accum Prov for Depreciation - WIP Salvage 1080-04881	(122,236)
Accum Prov for Depreciation - WIP Removal Cost 1080-04882	6,019,953
Accum Prov for Depreciation - CWIP Accruals 1080-07600	3,958
Accumulated provision for amor - Great River Acquisition 1150-10010	-
Accumulated provision for amor - Amort-Acquisition Adj 1150-10013	(3,336,784)
Accumulated provision for amor - Amort-Acquisition Adj-Winn 1150-10014	-
Accumulated provision for amor - Amort-Acquisition Adj Oceana 1150-10016	-
Accumulated provision for amor - Acquisition Adj-Mid-Tex 1150-10027	58,236
Less Accum Depr and Amort	(158,782,624)
Net Prop, Plant and Equip	291,529,590

**ATMOS ENERGY CORPORATION
KENTUCKY PIPE REPLACEMENT PROGRAM
SURCHARGE CALCULATION OF FORCASTED ACTIVITY
AS OF OCTOBER 2015 THROUGH SEPTEMBER 2016
RATE OF RETURN**

Line Number	Description	Percent	Cost	Weighted Cost
1	ST Debt	5.2%	1.25%	0.06%
2	LT Debt	45.7%	6.19%	2.83%
3	Equity	<u>49.2%</u>	9.80%	<u>4.82%</u>
4		100.0%		7.71%

**ATMOS ENERGY CORPORATION
KENTUCKY PIPE REPLACEMENT PROGRAM
SURCHARGE CALCULATION OF FORCASTED ACTIVITY
AS OF OCTOBER 2015 THROUGH SEPTEMBER 2016
O&M SAVINGS**

<u>Line Number</u>	<u>Description</u>	<u>Annual Savings</u>	<u>Cumulative Savings</u>
1	First year 2015 savings	\$ 18,145	\$ 18,145
2	Second year 2016 savings	\$ 19,227	\$ 37,372

ATMOS ENERGY CORPORATION
 KENTUCKY PIPE REPLACEMENT PROGRAM
 SURCHARGE CALCULATION OF FORCASTED ACTIVITY
 AS OF OCTOBER 2015 THROUGH SEPTEMBER 2016
 RATE DESIGN

Exhibit I

Case 2013-00148											
Line Number	Class of Customers	Rate	Total	Total Dollars	Customer / Ratio	Volumetric Charge Ratio	Revenue Increase by Class	Budgeted Volumes	Budgeted Customer Counts	Customer Charge	Volumetric Charge
1	RESIDENTIAL (Rate G-1)				60.33%		\$ 4,927,098		1,861,327		
2	FIRM BILLS	\$16.00	1,846,837	\$29,549,392		69.36%				\$ 2.65	
3	Sales: 1-300	1.3180	9,905,382	\$13,055,294		30.64%					
4	Sales: 301-15000	0.8800	0	\$0		0.00%					
5	Sales: Over 15000	0.6200	0	\$0		0.00%					
6	CLASS TOTAL (Mcf/month)		9,905,382	42,604,686							
7											
8	NON-RESIDENTIAL (Rate G-1)				23.60%		\$ 1,927,700		228,374		
9	FIRM BILLS	40.00	229,048	\$9,161,920		54.96%				\$ 8.44	
10	Sales: 1-300	1.3180	5,064,652	\$6,675,212		40.05%					
11	Sales: 301-15000	0.8800	942,780	\$829,646		4.98%					
12	Sales: Over 15000	0.6200	3,337	\$2,069		0.01%					
13	CLASS TOTAL (Mcf/month)		6,010,769	16,668,847							
14											
15	INTERRUPTIBLE (G-2)				0.30%		\$ 24,685		123		
16	INT BILLS	350.00	138	\$48,300		22.63%				\$ 45.56	
17	Sales: 1-15000	0.7900	203,768	\$160,977		75.42%		1,049,111			0.0177
18	Sales: Over 15000	0.5300	7,873	\$4,173		1.95%		40,535			0.0119
19	CLASS TOTAL (Mcf/month)		211,641	213,450				1,089,645			
20											
21	TRANSPORTATION (T-3)				7.49%		\$ 611,825		816		
22	TRANSPORTATION BILLS	350.00	782	\$273,700		5.17%				\$ 38.79	
23	Interrupt Transport: 1-15000	0.7900	4,849,484	\$3,831,092		72.42%		5,093,582			0.0870
24	Interrupt Transport: Over 15000	0.5300	2,237,100	\$1,185,663		22.41%		2,349,704			0.0584
25	CLASS TOTAL (Mcf/month)		7,086,584	5,290,455				7,443,285			
26											
27	TRANSPORTATION (T-4)				8.28%		\$ 676,110		1,476		
28	TRANSPORTATION BILLS	350.00	1,463	\$512,050		8.758%				\$ 40.09	
29	Firm Transport: 1-300	1.3180	419,681	\$553,140		9.461%		524,078			0.1221
30	Firm Transport: 301-1500	0.8800	4,937,961	\$4,345,406		74.327%		6,166,289			0.0815
31	Firm Transport: Over 1500	0.6200	702,806	\$435,740		7.453%		877,630			0.0574
32	CLASS TOTAL (Mcf/month)		6,060,448	5,846,335				7,567,997			
33											
34	Total Revenue			70,623,773	100.00%		\$ 8,167,417		2,092,116		
35											
36											
37											

KY Revenue Requirement \$ 8,167,417

ATMOS ENERGY CORPORATION
 KENTUCKY PIPE REPLACEMENT PROGRAM
 SURCHARGE CALCULATION OF FORCASTED ACTIVITY
 AS OF OCTOBER 2015 THROUGH SEPTEMBER 2016
 CUSTOMERS & VOLUMES

Line Number	Tariff	Description		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total	
<u>Customers</u>																	
1	G-1	Residential	Fiscal 2016 Bud	152,517	152,374	157,918	157,870	158,272	158,272	158,234	156,703	154,808	153,350	150,514	150,496	1,861,327	
2	G-1	Commercial Firm	Fiscal 2016 Bud	16,868	16,905	17,664	17,776	16,299	19,177	17,713	17,342	17,144	16,913	16,800	16,701	207,300	
3	G-1	Public Authority	Fiscal 2016 Bud	1,557	1,506	1,544	1,552	1,365	1,752	1,540	1,535	1,508	1,551	1,506	1,515	18,433	
4	G-1	Industrial Firm	Fiscal 2016 Bud	220	220	220	220	220	220	220	220	220	220	220	220	2,640	
5																	
6	G-2	Commercial Interruptible	Fiscal 2016 Bud	2	2	3	4	3	3	4	2	2	2	2	2	27	
7	G-2	Industrial Interruptible	Fiscal 2016 Bud	8	8	8	8	8	8	8	8	8	8	8	8	96	
8	G-2	Public Authority Interruptible	Fiscal 2016 Bud	-	-	-	-	-	-	-	-	-	-	-	-	-	
9																	
10	T-3	Transportation Interruptible	Fiscal 2016 Bud	68	68	68	68	68	68	68	68	68	68	68	68	816	
11	T-4	Transportation Firm	Fiscal 2016 Bud	123	123	123	123	123	123	123	123	123	123	123	123	1,476	
12				171,363	171,206	177,548	177,621	176,357	179,623	177,910	176,001	173,881	172,234	169,241	169,132	2,092,116	
13																	
14	<u>Volumes</u>																
15																	
16	G-2	Commercial Interruptible	Fiscal 2016 Bud	76	354	1,741	2,380	1,979	1,821	1,663	169	36	36	36	36	10,327	
17	G-2	Industrial Interruptible	Fiscal 2016 Bud	67,455	73,457	79,572	92,054	81,681	85,774	103,347	105,592	81,274	115,424	104,005	89,685	1,079,318	
18	G-2	Public Authority Interruptible	Fiscal 2016 Bud	-	-	-	-	-	-	-	-	-	-	-	-	-	
19																	
20	T-3	Transportation Interruptible	Fiscal 2016 Bud	561,813	657,202	679,215	680,245	725,991	673,871	648,225	573,563	589,023	533,058	573,468	547,610	7,443,285	
21	T-4	Transportation Firm	Fiscal 2016 Bud	494,098	585,429	693,662	718,795	851,233	831,839	738,637	573,110	544,941	507,287	506,653	522,315	7,567,997	
22				1,123,442	1,316,441	1,454,190	1,493,473	1,660,884	1,593,306	1,491,872	1,252,434	1,215,274	1,155,804	1,184,162	1,159,646	16,100,928	

**ATMOS ENERGY CORPORATION
KENTUCKY PIPE REPLACEMENT PROGRAM
SURCHARGE CALCULATION OF FORCASTED ACTIVITY**

2015 PROJECT DETAILS

Projects	Project Description	No. of services	Installation			Cost of Removal			Retirements		
			Main	Services	Meters	Main	Services	Meters	Main	Services	Meters
PRP.2739.8" Transmission Line Replacement - Aiken Rd Purchase to Buck Creed Rd	Replace 8" pipe with 45,725' +/- (8.66 miles) of 12" steel distribution pipe.	-	14,072,489			4,020					
PRP.2609.Dawson Springs FY15	Replace 1 mile of 4" bare pipe feeding Dawson Springs	-	1,292,797			4,020					
PRP.2635.FY15 North Seminary CC	2015 PRP for Company Crew in Princeton, KY. 780' of 2" on North Seminary from Main Street to W. Shephardson. 16 services to replace at \$1,650 each for a total of \$26,400.	16	36,240			4,020					
	Contractor			22,400			180				
	Material			2,880	1,120						
	Overhead			8,165	362		58				
PRP.2635.FY15 Sturgis Road	2015 PRP to replace 6,782' of 4" pipe from Bellville St to Harmon Drive. Project will have 83 services at \$1,650 each for a total of \$136,950. Budget services for March.	83	446,864			4,020					
	Contractor			116,200			934				
	Material			14,940	5,810						
	Overhead			42,358	1,877		302				
PRP.2635.Maple Street FY15	2015 PRP Marion, KY replacing 5418' of 2" Pipe on Maple St. 67 Services at \$1,650 ea for a total of \$110,550. Budget services for April.	67	343,965			4,020					
	Contractor			93,800			754				
	Material			12,060	4,690						
	Overhead			34,193	1,515		243				
PRP.2636.Coast Guard Ln FY15 CC	Install 1500' of 2" PE. IP to IP. 23 Services for a total of \$37,950. Installation by Company PRP Crew.	23	31,207			4,020					
	Contractor			32,200			259				
	Material			4,140	1,610						
	Overhead			11,738	520		84				
PRP.2636.Colonial Court FY15	Install 2,000' of 2" PE. IP to IP. 43 services at \$1,650 each for a total of \$70,950	43	112,624			4,020					
	Contractor			60,200			484				
	Material			7,740	3,010						
	Overhead			21,945	972		156				

PRP.2636.Dublin Lane FY15	Dublin Lane, Lee Court, Burdette Court, Ohio Street Hanning Lane, Herr Ave, Woodford Ave. Install 1220' of 6" PE. LP to IP. Replace 106 services at \$1,650 each for a total of \$1,75,900	106	387,305			4,020	
	Contractor			148,400			1,193
	Material			19,080	7,420		
	Overhead			54,096	2,397		385
PRP.2636.East 11th FY15	East 11th, Glendale Ave, Parkdale Dr. Install 900' of 4" PE and 910' of 2" PE. IP to IP. 61 services at \$1,650 each for a total of \$100,650.	61	106,786			4,020	
	Contractor			85,400			686
	Material			10,980	4,270		
	Overhead			31,131	1,379		222
PRP.2636.Ewing Rd/West 2nd FY15	Install 5565' of 2" PE and 432' of 4" PE. LP to IP. 67 services at \$1,650 each for a total of \$110,550.	67	365,541			4,020	
	Contractor			93,800			754
	Material			12,060	4,690		
	Overhead			34,193	1,515		243
PRP.2636.Greenville 4" FY15	Greenville 4" HDPE. R/W Clearing. Replace fence at TB Station. Replace Regulator Station. Install 10,117' of 4" HD PE. 9 Services stub ups for a total of \$14,850	9	1,190,198			4,020	
	Contractor			12,600			101
	Material			1,620	630		
	Overhead			4,593	203		33
PRP.2636.Old Greenville Feed FY15	Old Greenville feed line. Replace 2,100' with 2" PE. 7 Services for a total of \$11,550. Installation by Company PRP crew.	7	6,760			4,020	
	Contractor			9,800			79
	Material			1,260	490		
	Overhead			3,572	158		25
PRP.2636.River Road FY15	River Road, 1st, Fielden Ave, Gilmour Court, Cullen Ave. Install 5922' of 2" PE. Low pressure to IP. Replace 66 services at \$1,650 each for a total of \$108,900.	66	370,460			4,020	
	Contractor			92,400			743
	Material			11,880	4,620		
	Overhead			33,682	1,492		240
PRP.2636.Sunset Dr FY15	Sunset Drive, Westview Drive, Wink Court. Install 1,756' of 4" PE and 3809' of 2" PE. IP to IP. 119 Services at \$1,650 each for a total of \$196,350.	119	336,417			4,020	
	Contractor			166,600			1,339
	Material			21,420	8,330		
	Overhead			60,730	2,691		432
PRP.2637.FY15.Harrison	4,725 ft of 4 inch steel and 885 ft of 2 inch steel at Harrison from 25th to 28th.	115	401,347			4,020	
	Contractor			161,000			1,294
	Material			20,700	8,050		
	Overhead			58,689	2,600		418

PRP.2637.FY15.Madison	1,500 ft of 6 inch steel and 3,785 ft of 4 inch steel going from 3rd and Madison to 19th and Monroe in Paducah.	114	397,076			4,020	
	Contractor			159,600			1,283
	Material			20,520	7,980		
	Overhead			58,179	2,578		414
PRP.2734.2nd b/w Bowder & Caldwell	Install 700' of 2" PE on East 2nd between Bowder and Caldwell. Replace 16 services.	16	58,657			4,020	
	Contractor			22,400			180
	Material			2,880	1,120		
	Overhead			8,165	362		58
PRP.2734.Armstrong Russellville	Install 1,000' of 2" PE at Armstrong Street in Russellville. Replace 8 services.	8	58,137			4,020	
	Contractor			11,200			90
	Material			1,440	560		
	Overhead			4,083	181		29
PRP.2734.Bristow Rd @ Louisville Rd.	Replace 1,700 ft. of 1 1/4" bare steel on Bristow Rd and Louisville with 2" PE. Total services replaced (8).	8	121,842			4,020	
	Contractor			11,200			90
	Material			1,440	560		
	Overhead			4,083	181		29
PRP.2734.Bypass & College State St.	Replace 9500' of 4" LP and 2"LP bare steel with 4" IP and 2" IP PE at . Replace 50 services.	50	447,836			4,020	
	Contractor			70,000			563
	Material			9,000	3,500		
	Overhead			25,517	1,131		182
PRP.2734.Center Line Phase II	Install 6,200' of 8" steel at outlet of Purchase #1 across from Jennings Creek. Replace 3 services.	3	1,905,727			4,020	
	Contractor			4,200			34
	Material			540	210		
	Overhead			1,531	68		11
PRP.2734.Church & Nugent	Install 2,350' of 2" PE on Church and Nugent. Replace 28 services.	28	164,942			4,020	
	Contractor			39,200			315
	Material			5,040	1,960		
	Overhead			14,290	633		102
PRP.2734.Clay St. @ 14th.	Install 3,038' of 2" PE from Clay St. to 12th. Replace 42 services.	42	519,449			4,020	
	Contractor			58,800			473
	Material			7,560	2,940		
	Overhead			21,434	950		153
PRP.2734.Crewdson - Old barren River	Install 6,200' of 6" PE. at outlet of TB #1 to Woodford Ave. Replace 100 services.	100	572,491			4,020	
	Contractor			140,000			1,125
	Material			18,000	7,000		
	Overhead			51,034	2,261		363
PRP.2734.East 11th St Park to Kenton	Install 1,774' of 2" and 4" PE East 11th from Park to Kenton. Replace 40 services.	40	133,982			4,020	
	Contractor			56,000			450
	Material			7,200	2,800		
	Overhead			20,414	904		145
PRP.2734.Glendale & Kirby	Install 2,200' of 2" PE from Glendale & Kirby to McElroy & Neal. Replace 44 services	44	157,640			4,020	
	Contractor			61,600			495
	Material			7,920	3,080		
	Overhead			22,455	995		160

PRP.2734.Henry @ McElroy	Install 700 ft. of 2" PE on Henry @ McElroy in Bowling Green, Replace 14 services	14	57,085			4,020	
	Contractor			19,600			158
	Material			2,520	980		
	Overhead			7,145	317		51
PRP.2734.High St. from Cabell to 14th St. Alley	Install 1,400' of 6" PE on High Street from Cabell to 14th Street alley and convert to IP. Replace 34 services. Also install 1,200' of 2" PE on 1400 block of Indianolia. Replaces 18 services	18	193,955			4,020	
	Contractor			25,200			203
	Material			3,240	1,260		
	Overhead			9,186	407		65
PRP.2734.Madison Ave.	Install 1,800' of 2" and 200' of 6" PE. Replace 20 services.	20	158,568			4,020	
	Contractor			28,000			225
	Material			3,600	1,400		
	Overhead			10,207	452		73
PRP.2734.Russ 9th St.	Install 3,405' of 4" and 2" PE from W 9th to Nashville Rd and tie in to Russell St. Replace 42 services.	42	334,075			4,020	
	Contractor			58,800			473
	Material			7,560	2,940		
	Overhead			21,434	950		153
PRP.2734.Vine St. from Wade to Glen Lily Rd.	Install 1,100' of 2" IP on Vine Street from Wade to Glen Lily Rd. Replace 23 services.	23	78,712			4,020	
	Contractor			32,200			259
	Material			4,140	1,610		
	Overhead			11,738	520		84
PRP.2734.West 10th,Payne, & Stubbins	Install 6,500' of 2" PE on existing LP west of Main, 10th, 11th, Payne and Stubbins. Will convert to IP. Replace 75 services.	75	481,342			4,020	
	Contractor			105,000			844
	Material			13,500	5,250		
	Overhead			38,276	1,696		273
PRP.2735.FY15.Woodlawn	Replace 5557' of LP 4" & 6" bare steel with IP 2" PE (86 services - \$141,900)	86	412,922			4,020	
	Contractor			120,400			968
	Material			15,480	6,020		
	Overhead			43,889	1,944		313
PRP.2735.FY15.HC Dale Heights	Replace 2587' of 4" bare steel with 4" PE (48 services - \$79,200)	48	198,490			4,020	
	Contractor			67,200			540
	Material			8,640	3,360		
	Overhead			24,496	1,085		174
PRP.2735.FY15.Mun.Buckner	Replace 2518' of 2" bare steel with 2" PE (33 services - \$54,450)	33	175,416			4,020	
	Contractor			46,200			371
	Material			5,940	2,310		
	Overhead			16,841	746		120
PRP.2735.FY15.Mun.East Back	Replace 2142' of 2" bare steel with 2" PE (30 services - \$49,500)	30	152,155			4,020	
	Contractor			42,000			338
	Material			5,400	2,100		
	Overhead			15,310	678		109
PRP.2735.FY15.Mun.Old Main	Replace 814' of 2" bare steel with 2" PE (17 services - \$28,050)	17	54,710			4,020	
	Contractor			23,800			191
	Material			3,060	1,190		
	Overhead			8,676	384		62

PRP.2735.FY15.Mun.Washington	Replace 3217' of 2" bare steel with 2" PE (26 services - \$42,900)	26	215,605			4,020	
	Contractor			36,400			293
	Material			4,680	1,820		
	Overhead			13,269	588		94
PRP.2735.Glas.E Main	Replace 1885' of 4" bare steel with 4" PE (29 services - \$47,850)	29	142,103			4,020	
	Contractor			40,600			326
	Material			5,220	2,030		
	Overhead			14,800	656		105
PRP.2736.Clay St FY15	PRP Clay Street. Replacing 7,750' of 4" and 8,355 of 2". Total number of Services at 263 at \$1,650 each for a total of \$433,950 (June and July).	263	976,751			4,020	
	Contractor			368,200			2,959
	Material			47,340	18,410		
	Overhead			134,219	5,946		956
PRP.2736.Metcalf FY15 CC	PRP Company Crew to replace 240' section of 4" bare steel pipe. 4 Services at \$1,650 each for a total of \$6,600.	4	4,518			4,020	
	Contractor			5,600			45
	Material			720	280		
	Overhead			2,041	90		15
PRP.2736.Robin Rd FY15 CC	PRP Company crew to replace 825' of 2" bare pipe. Pre and post camera. We will be removing Robin Road LP Station. 16 services at \$1,650 each for a total of \$26,400	16	10,267			4,020	
	Contractor			22,400			180
	Material			2,880	1,120		
	Overhead			8,165	362		58
PRP.2736.Walnut St FY15	PRP Walnut Street. Replacing 4,235' of 4" and 3,305 of 2". Total Services 87 at \$1,650 each for a total of \$143,550 (Aug and Sept).	87	468,195			4,020	
	Contractor			121,800			979
	Material			15,660	6,090		
	Overhead			44,400	1,967		316
PRP.2737.Lexington/Greenville	Replace 5300' of bare steel with 3850 2" & 1450 of 6" - (87 services - \$143,550)	87	410,001			4,020	
	Contractor			121,800			979
	Material			15,660	6,090		
	Overhead			44,400	1,967		316
PRP.2737.MARIMON-OFFICE-HIGH	REPLACE 6700' OF BARE PIPE REPLACEMENT-MARIMON FROM CANE RUN TO OFFICE, EAST OFFICE FROM MARIMON TO ROBARDS, MAPLE, HIGH, MONTROSE AND BALLARD STREETS. * (REPLACING 96 SERVICES - \$158,400)	96	554,046			4,020	
	Contractor			134,400			1,080
	Material			17,280	6,720		
	Overhead			48,993	2,171		349
PRP.2738.Legion Park to Barbara St	Replace 2673' of 2" bare steel with 4" PE (28 service at \$46,200)	28	309,405			4,020	
	Contractor			39,200			315
	Material			5,040	1,960		
	Overhead			14,290	633		102
PRP.2738.Legion Park to Penick	Replace 2404' of 4" & 825 of 2" bare steel, (33 services at \$54,450)	33	258,691			4,020	
	Contractor			46,200			371
	Material			5,940	2,310		
	Overhead			16,841	746		120

PRP.2738.W Hodgenville Ave	Replace 2367' of 2" bare pipe (31 services \$51,150 for service costs)	31	184,976		4,020			
	Contractor			43,400			349	
	Material			5,580	2,170			
	Overhead			15,821	701		113	
Total specific budgeted projects & bare steel functional			29,870,768	4,893,486	216,800	192,960	34,843	
Non specific bare steel functional				999,538	44,283		7,117	
Total budgeted 2015 projects			29,870,768	5,893,024	261,083	192,960	41,960	\$2,049,296
							1,607,552	114,000

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2016 PROJECT DETAILS

Projects	Project Description	No. of services	Installation			Cost of Removal			Retirements		
			Main	Services	Meters	Main	Services	Meters	Main	Services	Meters
PRP.2634,Dean Lane	Install 8,150' of 2" PE from Dean Lane to Main to Mill St. West of CSX. Replace 80 services.	80	566,914			4,500					
	Contractor			100,000				914			
	Material			14,400	5,600						
	Overhead			31,689	1,551			253			
PRP.2634, Madison	Replace 1031 ft. of 2 in. (Bare Steel) and install 1,031 ft of 4 in. PE (Madison St. to Mill St.). Replace 9 service lines	9	96,949			4,500					
	Contractor			11,250				105			
	Material			1,620	630						
	Overhead			3,565	175			28			
PRP.2634,US 41	Replace 1570 ft. of 4 in. (Bare Steel) and install 1,570 ft. of 2 in. PE at US 41 from Dixon St. to Main St. Replace 20 services.	20	111,285			4,500					
	Contractor			25,000				229			
	Material			3,600	1,400						
	Overhead			7,922	588			63			
PRP.2635, North Seminary Street	Replace 780' of 2" IP steel with 780' of 2" pe IP. (16 services)	16	41,291			4,500					
	Contractor			20,000				183			
	Material			2,880	1,120						
	Overhead			6,328	310			51			
PRP.2636, 21st Street and Hathaway	Replace 1100' of 2" bare steel IP with 1100' of 2" pe IP. (30 services)	30	45,206			4,500					
	Contractor			37,500				343			
	Material			5,400	2,100						
	Overhead			11,883	582			95			
PRP.2636, Cloverport Hwy 60 East	Replace 200' of 1 1/4" bare steel with 300' of 2" pe IP. (5 services)	5	16,651			4,500					
	Contractor			6,250				57			
	Material			900	350						
	Overhead			1,981	97			16			
PRP.2636, Colonial Ct	Replace 2000' 2" Bare IP Stl. with 2000' of 2" IP PE. Replace 43 services.	43	149,091			4,500					
	Contractor			53,750				491			
	Material			7,740	3,010						
	Overhead			17,033	834			156			
PRP.2636, Dawson Springs	Replace of 1 mile of 4" steel feeding Dawson Springs		1,258,186			4,500					
	Contractor			-				-			
	Material			-				-			
	Overhead			-				-			
PRP.2636, E. 11th. St.	Replace 1810' bare pipe with 910' 2" IP PE and 900' 4" IP PE at E. 11th, Glendale Ave., and Parkdale. Replace 61 services.	61	132,994			4,500					
	Contractor			76,250				697			
	Material			10,980	4,270						
	Overhead			24,163	1,183			193			

PRP.2636.Ford Ave	Replace 6,195' of bare pipe with 3730' 2" IP PE and 2465' 6" IP PE at Ford Ave. Winston Dr., Lexington Dr., and Littlewood Dr. Replace 99 services	99	446,917			4,500	
	Contractor			123,750			1,132
	Material			17,820	6,930		
	Overhead			39,215	1,920		313
PRP.2636.Greenville to Fruithill	Replace 2 miles of 4" steel with 10,917 ft of 4 in. HDPE leaving Greenville towards Fruithill - Replace 12 services	12	1,211,537			4,500	
	Contractor			15,000			137
	Material			2,160	840		
	Overhead			4,753	233		38
PRP.2636.Griffith Pl East & West	Replace 2,371' bare pipe with 2,371' of 2" IP PE. Replace 26 services.	26	151,179			4,500	
	Contractor			32,500			297
	Material			4,680	1,820		
	Overhead			10,299	504		82
PRP.2636.Sheridan Place	Replace 800' of 2" bare steel IP with 800' of 2" pe IP. (14 services)	14	20,875			4,500	
	Contractor			17,500			160
	Material			2,520	980		
	Overhead			3,546	271		44
PRP.2636.Westview & Wink Ct.	Replace 3,508' of bare pipe with 1,752' 2" IP PE and 1,756' 4" PE at Westview Drive and Wink Ct. Replace 87 services.	87	253,519			4,500	
	Contractor			108,750			994
	Material			15,660	6,090		
	Overhead			34,462	1,687		275
PRP.2637.Martin Luther King	Replace 2" and 4" Bare Steel with 1346' of 2" IP PE and 2800' 4" IP PE Martin Luther King from 23rd. St. to Coronado Ct., includes Coronado Ct. and California Ct. Replace 108 services	108	343,805			4,500	
	Contractor			133,000			1,234
	Material			19,440	7,560		
	Overhead			42,780	2,094		342
PRP.2637.N. 14th Phase 2	Replace 3,244 ft of 6" bare steel and 1,245 ft of 2" bare steel. Install 1,245' of 2" HDPE and 3,190' of 6" HDPE at N.14th from Madison St. to Hampton Ave. Replace 34 services.	34	332,005			4,500	
	Contractor			42,500			389
	Material			6,120	2,380		
	Overhead			13,468	659		106
PRP.2637.N.14th. St.	Replace 2456' of bare IP steel with 534' 2" IP PE, 320' 4" IP PE and 1642' 6" IP PE. Replace 13 services.	13	884,557			4,500	
	Contractor			16,250			149
	Material			2,340	910		
	Overhead			5,149	252		41
PRP.2637.N.21st St.	Install 1,099' of 2", 3,771' of 4", and 599' of 6" at N. 21st., N.25th., and MLK. Replace 71 services.	71	445,810			4,500	
	Contractor			88,750			812
	Material			12,780	4,970		
	Overhead			28,124	1,377		225

PRP.2734 Ogdon -Cabell	Replace 1720' of 4" bare steel, 1190' of 6" bare steel, and 1140' of 2" bare steel with 1930' of 2" PE, 1300' of 4" PE, and 1190' of 6" PE along (Ogden, Cabell, Park St and Chestnut). Replace 53 services.	53	575,672	66,250	9,540	3,710	4,500	606
	Contractor							
	Material							
	Overhead							165
PRP.2734 Madison - Normalview	Replace 1800 ft. of 2 in. and 200 ft of 6 in. bare steel. Install 1800 ft. of 2 in. PE and 200 ft. of 6 in. PE. Replace 20 services.	20	301,486	25,000	3,600	1,400	4,500	229
	Contractor							
	Material							
	Overhead							63
PRP.2734.11th From Park to Kenton	Replace 2,119 ft. of 4 in. bare steel. at 11th. from Park to Kenton. Install 1,774 ft. of 4 in. PE and 345 ft. of 2 in. PE. Replace 40 services.	40	285,389	50,000	7,200	2,800	4,500	457
	Contractor							
	Material							
	Overhead							127
PRP.2734.2nd Street-Bowden to Caldwell	Russellville, replace 700' of 2" bare steel with 700' of 2" pe IP. (16 services)	16	34,289	20,000	2,880	1,120	4,500	183
	Contractor							
	Material							
	Overhead							31
PRP.2734.Armstrong Street	Russellville, replace 1000' of 2" bare steel IP with 1000' of 2" pe IP. (8 services)	8	36,820	10,000	1,440	560	4,500	91
	Contractor							
	Material							
	Overhead							25
PRP.2734.Centerline Phase II	Replace approximately 1 mile of 8" bare steel from PS#1 towards Rhoades Ln with 9,300 of 8" Std HPD and 300 of 6" PE IP. Replace 6 services.	6	3,832,717	7,500	1,080	420	4,500	69
	Contractor							
	Material							
	Overhead							19
PRP.2734.College Street	Replace 580' of 4" bare steel LP with 580' of 2" pe IP. (0 Services)	-	20,860	-	-	-	4,500	-
	Contractor							
	Material							
	Overhead							
PRP.2734.Glendale and Kirby	Replace 2,200 ft. of 2 in. bare steel. Install 2,200 ft. of 2 in. PE. Replace 44 services.	44	229,012	55,000	7,920	3,080	4,500	503
	Contractor							
	Material							
	Overhead							139
PRP.2734.Gordon and Raven Street	Replace 100' of 2" bare steel IP with 100' of 2" steel IP. (0 services)	-	15,348	-	-	-	4,500	-
	Contractor							
	Material							
	Overhead							

PRP.2734.Nashville Rd.	Replace 1,300 ft. of 2 in. bare steel. Install 1,300 ft. of 4 in. PE on Nashville Rd. Replace 25 services.	25	233,648	31,250	4,500	286
	Contractor			4,500		
	Material			1,750		
	Overhead			9,903		79
PRP.2734.Newton	Replace 5,090 ft. of 4 in. bare steel and 700 ft. of 2 in. bare steel. Install 2,743 ft. of 2 in. (PE) along Newton, Herrington St and Clayton Ct. Replace 46 services	46	264,364	37,500	4,500	536
	Contractor			8,280	3,220	
	Material			18,221	892	146
	Overhead					
PRP.2734.Park Street	Replace 100' of bare steel pipe IP with 100' of 2" ps IP. (1 Service)	1	9,737	1,250	4,500	11
	Contractor			180	70	
	Material			396	19	3
	Overhead					
PRP.2734.Payne and Stubbins	Replace 2,350 ft of 3 in bare steel, 400 ft of 2 in bare steel and 3,750 ft of 4 in bare steel with 6,500 ft of 2 in PE on Payne and Stubbins. Replace 75 services.	75	659,516	93,750	4,500	857
	Contractor			13,500	5,250	
	Material			29,708	1,454	237
	Overhead					
PRP.2735.Glenwater	Replace 1950 ft. of bare 6 in. LP, 3961 ft. of 4 in. bare LP, and 989 ft. of 2 in. bare LP with 1954 ft. of 2 in. IP PE and 4950 ft. of 4 in. IP PE along Glenwater, Walnut, Owen, 2nd, and 3rd streets. Replace 60 services.	60	731,910	75,000	4,500	686
	Contractor			10,800	4,200	
	Material			23,767	1,163	190
	Overhead					
PRP.2735.Grinstead Mill Rd.	Replace 1000 ft. of 2 in. bare steel LP and 3345 ft. of 4 in. bare steel LP with 1,240 ft. of 2" IP PE and 3,600 ft. of 4" IP PE along Grinstead Mill, White, Doyle, and Alexander streets. Replace 48 services	48	441,999	60,000	4,500	549
	Contractor			8,640	3,260	
	Material			19,013	931	152
	Overhead					
PRP.2736. E.7th.St	Replace 1,350' of bare 2" Stl. with 1,350' 2" IP PE. 7th St Between E. 2nd and Mechanic St. Replace 13 services.	13	182,139	16,250	4,500	149
	Contractor			2,340	910	
	Material			5,149	252	41
	Overhead					
PRP.2736.Bryan St.	Replace 6,095' of bare steel with 4,155' of 2" PE and 1,940 of 4" PE from Bryan St to Liberty St. Replace 97 services.	97	493,101	121,250	4,500	1,109
	Contractor			17,460	6,790	
	Material			38,425	1,881	307
	Overhead					

PRP.2736.Hope Street	Replace 2,760 ft of 4 in. bare steel with 710 ft of 4 in. HDPE and 2,050 ft of 2 in. of 2 & 4 " at east ninth street between Hope and Gant Street	35	318,288			4,500	
	Contractor			43,750			400
	Material			6,300	2,450		
	Overhead			13,864	679		111
PRP.2736.Kirkman Square	Replace 5655' of bare steel with 2,590' of 2" PE and 3,065' of 4" PE. Replace 118 services.	118	482,119			4,500	
	Contractor			147,500			1,349
	Material			21,240	8,260		
	Overhead			46,741	2,288		374
PRP.2736.Liberty St	Replaced 1,909' of 6", 1,941' of 4", 224' of 3" and 281' of 2". Install 1,810' of 2" and 2,745' of 4" at Liberty St. to R.9th. St. Replace 48 services.	48	368,063			4,500	
	Contractor			60,000			549
	Material			8,640	3,360		
	Overhead			19,013	931		152
PRP.2737.E. Main St.	Replace 4000' of bare 2" S/I IP with 4000' 2" PE IP E. Main, Scyamore, East Court, Peach, Maple, E.Mill, Depot Streets. Replace 50 services	50	435,079			4,500	
	Contractor			62,500			572
	Material			9,000	3,500		
	Overhead			19,806	970		158
PRP.2737.S. Chilles-Moreland	Replace 6725' of bare Stl. IP with 3850' 2" PE, 1275' 4" PE, 1600' 6" PE I/P at Chilles St, Morland St. Replace 49 services.	49	977,764			4,500	
	Contractor			61,250			560
	Material			8,820	5,430		
	Overhead			19,409	950		155
PRP.2737.W. Main St.	Replace 4665' bare 2" S/I, IP with 4665' 2" PE IP at W. Main, S. 2nd., W.Mill St. Replace 40 services.	40	503,287			4,500	
	Contractor			50,000			457
	Material			7,200	2,800		
	Overhead			15,844	776		127

PRP.2738.Legion Park to Barbara St.	Replace 4,150 ft of 2 in and 350 ft of 3in bare steel. Install 4,500 ft of 4" PE. Replace 28 services.	28	412,165			4,500		
	Contractor			35,000				320
	Material			5,040	1,960			
	Overhead			11,091	543			89
PRP.2739.Aiken Rd.Phase II*	Retire 5,800 ft of 8 in bare steel. Install 5,800 ft of 12 in. (60 services)(60 services)	60	4,872,308			4,500		
	Contractor			75,000				686
	Material			10,800	4,300			
	Overhead			23,767	1,163			190
PRP.8 in. TransLineRepl.AikenRd*	PRP.8 in. TransLineRepl.AikenRd Phase I	-	2,360,585			4,500		
	Contractor			-	-			-
	Material			-	-			-
	Overhead			-	-			-
	Contractor			-	-			-
	Material			-	-			-
	Overhead			-	-			-
	Contractor			-	-			-
	Material			-	-			-
	Overhead			-	-			-
Total specific budgeted projects & bare steel functional			25,586,439	3,118,996	152,678	198,000	24,930	
Non specific bare steel functional				928,650	45,458			7,423
Total budgeted 2016 projects			25,586,439	4,047,646	198,136	198,000	32,353	\$2,034,658 1,309,854 84,734

*The Company met with the Staff and the Rate Intervention Office of the Attorney General's Office (AG) on June 19, 2014 to discuss the inclusion of the Shelbyville line within the Company's PRP program. At that meeting, the Staff advised the Company to seek a Staff Opinion related to the inclusion of the Shelbyville line. The Company filed for a Staff Opinion on July 1, 2014. Per the Final Order in Case No. 2014-00274, the Shelbyville line project was approved for inclusion within the PRP program as well as additional clarity of what would be included in future filings.

The Company filed the PRP application for the 2014/2015 fiscal year on July 30, 2014. Included in the PRP application was an estimate of approximately \$14,100,000 for the Shelbyville line project. The Shelbyville line project estimate was developed using the actual costs of similarly sized pipe from other PRP projects. The Company received four bids for the Shelbyville line project. Of the four bids, one was extremely high compared to the other three. Of the three competitive bids, the lowest bid was within 4.5% of the average of the three competitive bids. Unfortunately, the lowest bid was considerably higher than the original estimate. As a result, the Company reviewed all factors and processes to understand the variances and to adjust internal controls to attempt to provide better estimation on a going forward basis.

The Company met with the Staff and the AG on June 16, 2015 to discuss the Shelbyville line and to update them on the replacement progress. The actual replacement cost of the Shelbyville line will be approximately \$21,500,000, which is approximately \$7,400,000 higher than originally estimated. The Company is committed to spending the approximate \$14,100,000 that the Commission approved in Case No. 2014-00274. The remaining \$7,400,000 will be absorbed into the PRP application for the 2015/2016 fiscal year.