JOHN N. HUGHES
ATTORNEY AT LAW
PROFESSIONAL SERVICE CORPORATION
124 WEST TODD STREET
FRANKFORT, KENTUCKY 40601

TELEPHONE: (502) 227-7270 JNHUGHES@fewpb.net

December 9, 2014

Jeff Derouen
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

Re: Atmos Energy Corporation
Case No. 2013-00148

Dear Mr. Derouen:

Atmos Energy Corporation submits the surrebuttal testimony of Gary Smith and Josh Densman.

I certify that the electronic documents are true and correct copies of the original documents to be filed.

If you have any questions about this filing, please contact me.

Submitted By:

Douglas Walther
Atmos Energy Corporation
5430 LBJ Freeway
1800 Three Lincoln Centre
Dallas, TX 75240
972-855-3102
Douglas.Walther@atmosenergy.com

Mark R. Hutchinson
Wilson, Hutchinson, Poteat and Littlepage
611 Frederica St.
Owensboro, KY 42301
270 926 5011
270-926-9394 fax
randy@whplawfirm.com

And

John N. Hughes

John N. Hughes
124 West Todd St.
Frankfort, KY 40601
502 227 7270
No Fax
jnhughes@fewpb.net

Attorneys for Atmos Energy Corporation

BEFORE THE PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

APPLICATION OF ATMOS ENERGY	**)**	
	)	
CORPORATION FOR AN ADJUSTMENT	**)**	**Case No. 2013-00148**
	)	
OF RATES AND TARIFF MODIFICATIONS	**)**	

SURREBUTTAL TESTIMONY OF GARY L. SMITH

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.

A. My name is Gary L. Smith. I am Director of Rates and Regulatory Affairs for Atmos Energy Corporation ("Atmos Energy" or the "Company"). My business address is 5420 LBJ Freeway, Dallas, Texas 75240.

Q. DID YOU SUBMIT PRE-FILED TESTIMONY IN THIS PROCEEDING?

A. No.

Q. DID YOU FILE REBUTTAL TESTIMONY IN THIS PROCEEDING?

A. Yes.

II. PURPOSE OF SURREBUTTAL TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

A. My surrebuttal testimony is provided in response to the Supplemental Direct Testimony of Attorney General's Office of Rate Intervention ("OAG") witness Mr. Glen Watkins filed on December 18, 2013.

Q. WHAT PROMPTED THE FILING OF SUPPLEMENTAL DIRECT TESTIMONY BY MR. WATKINS?

A. As noted in my Rebuttal Testimony, the Company supplemented its response to an OAG data request regarding special contracts upon locating non-redacted contract copies that included the official Commission stamped acceptance of each contract. The November 18, 2013 supplemental response also included an "Analysis of Contribution to Fixed Cost" associated with these Commission filings. Mr. Watkins states that the purpose of his supplement to his direct testimony is to address the additional information provided in Atmos Energy's supplemental data response provided on November 18, 2013.

Q. HOW DOES MR. WATKINS CHARACTERIZE THE 'NEW' INFORMATION CONTAINED IN THE COMPANY'S NOVEMBER 18, 2013 SUPPLEMENTAL RESPONSE?

A. On page 2 of Mr. Watkins Supplemental Direct testimony, he says he gained at least two insights from the Company's supplemental response; first, he is now able to determine the length of time that each "discounted" rate has been in effect; and, second, he discovered that not all service to the special contract customers was provided on an interruptible basis.

Q. HOW DO YOU RESPOND TO MR. WATKINS STATEMENT THAT HE COULD NOW DETERMINE THE LENGTH OF TIME THAT EACH CONTRACT RATE HAD BEEN IN PLACE?

A. Mr. Watkins has essentially had all current special contracts in hand since the Company provided its initial response to OAG DR 1-212 on August 28, 2013. The

Company's supplemental response filed on November 18, 2013 merely included the Commission-stamped copy of those same contracts.

Q. MR. WATKINS ALSO INCLUDES A NEW TABLE SUMMARIZING CERTAIN TERMS OF EACH SPECIAL CONTRACT. DO YOU AGREE WITH HIS INFORMATION CONTAINED IN GAW-1?

A. I am not aware of any errors in Mr. Watkins summary table GAW-1, except for his representation of when the Company provided the information as depicted in column 9 of his table. Again, I note that the information needed to summarize current special contract terms he reflects in GAW-1 has been available to Mr. Watkins since August 28, 2013.

Q. MR. WATKINS STATES THAT SEVEN OF THE SPECIAL CONTRACT CUSTOMERS RECEIVE ALL OR SOME OF THEIR TRANSPORTATION SERVICE ON A FIRM BASIS. HE ALSO STATES THAT THE COMPANY'S NARRATIVE RESPONSE AND COST ANALYSIS IN ITS ORIGINAL RESPONSE TO OAG 1-212(E) INDICATED THAT EACH RECEIVES SERVICE ON AN INTERRUPTIBLE BASIS. HOW DO YOU RESPOND TO MR. WATKINS ASSERTION?

A. The Company did not say that all special contracts receive interruptible transportation service in its original response to OAG 1-212(e). In response to this OAG request to price out revenues at tariff rates, the Company stated that "for the purpose of this analysis, the Company priced out the volumes for each customer for the most recent 12 months . . . at the full tariff T-3 schedule." This statement simply clarified the manner in which the Company computed the requested calculation. In that same response to OAG 1-212(i), dated August 28, 2013, the Company provided all active special contracts including the pricing, term and character of transportation service. Review of those contracts would have clearly revealed that certain customers receive some or all of their service on a firm redelivery basis.

Q. ALTHOUGH MR. WATKINS ACKNOWLEDGES THAT THE SPECIAL CONTRACTS COVER MORE THAN THEIR VARIABLE COSTS, HE SEEKS JUSTIFICATION OF THE "DISCOUNT" BELOW THE COMMISSION-APPROVED TARIFF RATES. HOW DO YOU RESPOND TO MR. WATKINS STATEMENTS?

A. The Company's supplemental response to OAG 1-212 on November 18, 2013 of non-redacted contract copies that included the official Commission stamped acceptance of each contract clearly denotes appropriate review and acceptance of these contracts by the Commission. Justification for those contracts provided by Atmos Energy at the time of submission for acceptance included an explanation of the threat of bypass for each special contract customer, including location, bypass options and cost justification for the proposed rate. This justification was accepted by the Commission and is evident by the Commission-stamped acceptance of each of the contracts. These Commission-accepted rates are those being charged by the Company and reflected in the revenues in this Case.

III. <u>CONCLUSION</u>

Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

A. Yes.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF	)	
RATE APPLICATION OF	)	Case No. 2013-00148
ATMOS ENERGY CORPORATION	)	

CERTIFICATE AND AFFIDAVIT

The Affiant, Gary L. Smith, being duly sworn, deposes and states that the prepared testimony attached hereto and made a part hereof, constitutes the prepared supplemental rebuttal testimony of this affiant in Case No. 2013-00148, in the Matter of the Rate Application of Atmos Energy Corporation, and that if asked the questions propounded therein, this affiant would make the answers set forth in the attached prepared rebuttal testimony.

Gary L. Smith

Gary L. Smith

STATE OF Texas

COUNTY OF Dallas

SUBSCRIBED AND SWORN to before me by Gary L. Smith on this the 3rd day of January, 2014.

Pamela L. Perry

Notary Public

My Commission Expires: 10 29 16

NOTARY PUBLIC STATE OF TEXAS
PAMELA L. PERRY
My Commission Expires
October 29, 2016

BEFORE THE PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

APPLICATION OF ATMOS ENERGY CORPORATION FOR AN ADJUSTMENT OF RATES AND TARIFF MODIFICATIONS	**)**) **)**) **)**	**Case No. 2013-00148**

SURREBUTTAL TESTIMONY OF JOSHUA C. DENSMAN

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.

A. My name is Joshua C. Densman. I am Vice President of Finance for the Kentucky/Mid-States Division of Atmos Energy Corporation ("Atmos" or the "Company"). My business address is 810 Crescent Centre Drive, Suite 600, Franklin, Tennessee 37067.

Q. DID YOU FILE PRE-FILED TESTIMONY IN THIS PROCEEDING?

A. Yes.

Q. DID YOU FILE REBUTTAL TESTIMONY IN THIS PROCEEDING?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to rebut the Revised Adjustments to OAG-4-BCO as filed in the supplemental and corrected testimony of OAG witness Mr. Bion Ostrander filed November 18, 2013.

Q. DO YOU STILL MAINTAIN YOUR OBJECTIONS TO MR. OSTRANDER'S ADJUSTMENTS THAT YOU FILED IN YOUR ORIGINAL REBUTTAL TESTIMONY?

A. Yes. I still disagree with Mr. Ostrander's proposed Adjustments OAG-2-BCO, OAG-3-BCO, OAG-4-BCO and OAG-5-BCO for reasons set forth in my rebuttal testimony. My surrebuttal testimony will address Mr. Ostrander's latest adjustments to OAG-4-BCO.

II. THE OAG'S ADJUSTMENT TO PAYROLL AND BENEFITS IS IN ERROR

Q. DO YOU AGREE WITH OAG'S LATEST ADJUSTMENT OAG-4-BCO TO PAYROLL AND BENEFITS EXPENSE?

A. No. Mr. Ostrander continues to use an incorrect reference period for calculating Payroll and Benefits and continues to reduce that calculated Payroll and Benefits by an arbitrary amount. A side-by-side comparison of the Original Schedule A-7 and the Supplemental Revised Schedule A-7 is entered into this testimony as JCD Surrebuttal Exhibit 1, and further explained in the testimony below.

Q. DID MR. OSTRANDER OFFER ANY SUPPORT FOR HIS NEW CALCULATIONS OF HIS REVISED SCHEDULE A-7 AS YOU DESCRIBED IN YOUR REBUTTAL TESTIMONY?

A. No. Mr. Ostrander offers no explanation or justification for switching the method used to calculate his Payroll and Benefits adjustments. In fact, Mr. Ostrander denies that a change in methodology ever happened testifying that the "underlying reasons supporting my payroll adjustment have not changed because: a) I am consistently removing 50% of Atmos's proposed payroll increase…."[1] This statement is false as Mr. Ostrander clearly modifies the method of calculating his Original Schedule A-7, which did not include the 50% reduction of the improperly calculated Payroll and Benefits. Had he been consistent in his revised schedule, Mr. Ostrander simply would have corrected his Kentucky Direct Payroll adjustment (by removing the twice-included benefits), and applied his 50% adjustment. Mr. Ostrander did not do this, as is evident from his revised schedule.

Q. EXPLAIN WHAT YOU MEAN WHEN YOU SAY MR. OSTRANDER CHANGED HIS METHODOLOGY.

A. In his original testimony, Mr. Ostrander tries to explain his method in calculating his Original Schedule A-7 adjustment. On Page 36 he notes:

> "Atmos proposed to increase payroll and benefits expense by $41% [sic] (or $5.5 million) for the combined base and forecasted test periods, and this is significantly greater than actual prior year increases for which information has been made available by Atmos. I am proposing to reduce Atmos' payroll adjustment by $2.6 million, and this will allow a total payroll/benefits increase of $2.9 million (or 22%, which is about one-half of Atmos' proposed 41% increase) for the base and forecasted test period"[2]

This exercise by Mr. Ostrander is shown in the table at the bottom of his Original A-7, where he proposes an aggregate increase in Payroll and Benefits of $2,933,310, versus the claimed Company increase of $5,502,109. The proposed Company increases shown by Mr. Ostrander are differences between forecasted test period amounts and FY2012 actuals. It should be noted, as it was in my rebuttal

[1] See Supplemental and Corrected Direct Testimony of Bion C. Ostrander, Case No. 2013-00148, Page 35, Lines15-17.
[2] Direct Testimony of Bion C. Ostrander on Behalf of the OAG, Case No. 2013-00148. Filed October 9, 2013. Pages 33-34, Lines 13-18 and 1-2.

testimony, that Mr. Ostrander's claimed starting reference point of $5,502,109 is incorrect due to his inclusion of Benefits Expense twice within KY Direct Labor.

Q. WHAT OTHER ISSUES HAVE YOU IDENTIFIED WITH HIS ORIGINAL SCHEDULE A-7?

A. After improperly utilizing FY2012 actuals as opposed to base period numbers and inappropriately including benefits expense in KY Direct Payroll, Mr. Ostrander forms his adjustments by taking approximately half (although not exactly half) of the Company's aggregate Payroll and Benefit increase. There is no mention by Mr. Ostrander as to how exactly his proposed $2,933,310 was calculated. Mr. Ostrander does not apply this "one-half method" consistently to the individual elements comprising Payroll and Benefits. For no individual element is exactly one-half of the difference between the forecasted test period and FY2012 actuals and for some elements that adjustment is far different than a 50% difference. For example, for SSU and DGO Direct Payroll Mr. Ostrander allowed approximately 75% of the Company increase listed.[3] There is also no mention as to how these individual increases were calculated, and Mr. Ostrander has not offered this information despite being requested to do so by the Company.

Q. ARE THERE ANY OTHER ISSUES RELATED TO THIS ORIGINAL SCHEDULE A-7?

A. Yes, I would also like to clear up any confusion about the calculation of Mr. Ostrander's original Schedule A-7 regarding the time period for which these increases are shown. In Footnote 11, Mr. Ostrander claims that Atmos' proposed increases

[3] SSU & DGO Direct Payroll Increase for the Company at bottom of Schedule A-7 was $519,373 and Mr. Ostrander proposed an adjustment to allow for an increase of $392,216.

"[are] calculated as the difference between the actual payroll and benefits expense at December 31, 2012 compared to Atmos' forecasted payroll and benefits expense for the forecasted test period at November 30, 2014." This is incorrect. Mr. Ostrander is apparently confused that the Company's fiscal year ends on September 30th, rather than December 31st each year. The increases shown are thus those from September 30, 2012 to November 30, 2014, a full 26 months.[4] This time frame also ignores 807 KAR 5:001 16(11)(a) which clearly states that, when using a fully forecasted test period, pro-forma adjustments are to be made to the Base Period.

Q. HAVE THE REVISIONS IN THE LATEST ITERATION OF SCHEDULE A-7 CORRECTED THE PRIOR ERRORS?

A. No. Although it was apparent that Mr. Ostrander had fundamentally changed how he was calculating his proposed adjustment in revised schedule A-7, unraveling the mechanics of his new method was difficult. (Because the second revision to A-7 is the basis for the supplemental A-7, the changes in that version are reflected in my comments related to supplemental revised A-7.) In the supplemental revision, Mr. Ostrander now makes adjustments to each Payroll and Benefits component individually rather than adjusting the aggregate increase as he did in his original schedule A-7. For each component, Mr. Ostrander takes the difference between the Company's proposed forecasted test period amount and the FY2012 actual amount, still an inappropriate period of 26 months. Mr. Ostrander then arbitrarily takes exactly half of this difference and claims that this half is his proposed adjustment to that element. This method is clearly not the one utilized by Mr. Ostrander in his

[4] Except for Kentucky Direct Payroll, where Mr. Ostrander has combined both the KY Direct Payroll increase and the KY Direct Benefit and claimed this amount is solely the increase to KY Direct Payroll.

Original A-7. This change in methodology can be seen by comparing the table at the bottom of the Original A-7 Schedule, (on which the Company cannot ascertain how the individual adjustments were made) with the supplemental revised A-7 Schedule.

Q. DO THESE CHANGES TO THE SUPPLEMENTAL REVISED A-7 MAKE THE PROPOSED ADJUSTMENTS BY MR. OSTRANDER ACCEPTABLE?

A. No, for at least the following two reasons: his revised adjustments continues to ignore the use of the Base Period in these calculations which ignores the guidelines set forth in 807 KAR 5:001 16(11)(a), and (2) the revised adjustment is founded on an arbitrary and unsupported 50% reduction factor.

Q. WHAT IS THE SIGNIFICANCE OF THIS CHANGE IN METHOLOGY FROM THE ORIGINAL SCHEDULE TO THE SUPPLEMENTAL REVISED SCHEDULE?

A. The revision by Mr. Ostrander makes it seem that he is seeking to hit a target amount in downward adjustments rather than conducting objective analysis of proper Payroll and Benefits amounts. By continuing to use incorrect assumptions and modifying the calculations, it appears that a predetermined outcome is the driving force in Mr. Ostrander's proposal. On his original schedule, there was simply an error in his adjustment calculation for Kentucky Direct Payroll (the double inclusion of benefits). Yet, in his revised schedule Mr. Ostrander does not simply correct the mistake by removing the double inclusion from Kentucky Direct Payroll, he inexplicably increases his adjustments to Kentucky Direct Benefits and SSU/DGO Payroll and Benefits. This change in his calculation results in a significant increase to his proposed adjustment even when factoring out the double inclusion of Benefits from the original schedule.. This modification is an obvious attempt to hit both a pre-established adjustment and to make up for his original error.

Q. DID MR. OSTRANDER PROPOSE ANY ADDITIONAL ADJUSTMENTS IN OAG-4-BCO IN HIS SUPPLEMENTAL REVISED ADJUSTMENT?

A. Yes. In his latest Revised Schedule A-7, Mr. Ostrander makes an additional $42,421 downward adjustment to Payroll Taxes. This adjustment was not found in Mr. Ostrander's Original Schedule A-7 or his first Revised Schedule A-7. For this adjustment, Mr. Ostrander has once again chosen to deduct an arbitrary 50% from both Kentucky Direct and SSU/DGO Payroll Taxes, while again incorrectly using the difference between the forecast period and FY2012 amounts and choosing to ignore the base period.

Q. DOES MR. OSTRANDER OFFER ANY SUPPORT AS TO HOW HIS ADJUSTMENTS TO PAYROLL AND BENEFITS WERE CALCULATED?

A. No. Mr. Ostrander claims that his adjustments are "very fair and reasonable";[5] however, he does not offer any data response, analysis or rationale as to how his adjustments were calculated. [6] Mr. Ostrander's only response to Atmos' request for detailed workpapers does not outline his calculations and assumptions, and only contains simple SUM formulas that shed no light on how his underlying adjustments were calculated or sourced.

Q. DO YOU HAVE ANY OTHER COMMENTS CONCERNING WITH HOW MR. OSTRANDER'S USE OF HISTORICAL DATA FROM FISCAL YEAR

[5] See Supplemental and Corrected Direct Testimony of Bion C. Ostrander, Case No. 2013-00148, Page 39, Lines 3-5.
[6] See Supplemental and Corrected Direct Testimony of Bion C. Ostrander, Case No. 2013-00148, Page 40, Lines 6-12.

2012 AS OPPOSED TO BASE PERIOD DATA IN MAKING HIS ADJUSTMENTS?

A. Yes. Mr. Ostrander testified that he was going to be consistent with Atmos' use of a fully forecasted test period when making his adjustment because he if he did not it would be extremely time consuming and create problems for the Commission[7]. However, Mr. Ostrander did exactly what he said he was not going to do and used his own method.

Even though 807 KAR 5:001 16(11)(a) clearly states that when using a fully forecasted test period pro-forma adjustments are to be made to the base period, Mr. Ostrander used Fiscal Year 2012 data as a baseline in virtually all of his adjustments. His variation from the regulation, which is well established in Kentucky, has created significant confusion as he himself predicted and makes his proposed adjustments meaningless in the context of a future test year filing.

Q. ARE THE PAYROLL AND BENEFITS AMOUNTS INCLUDED IN YOUR FORECATED TEST YEAR ENDING NOVEMBER 30, 2014 AND DESCRIBED IN YOUR PRE-FILED TESTIMONY CONSISTENT WITH THE COMMISSION'S REGULATIONS FOR THE FORECASTS OF PAYROLL AND BENEFITS EXPENSES FOR THE COMPANY?

A. Yes.

Q. ARE THE PAYROLL AND BENEFITS AMOUNTS INCLUDED IN YOUR FORECATED TEST YEAR ENDING NOVEMBER 30, 2014 AND

[7] See Supplemental and Corrected Direct Testimony of Bion C. Ostrander, Case No. 2013-00148, Page 8, Lines 13-20.

DESCRIBED IN YOUR PRE-FILED TESTIMONY THE MOST REASONABLE FORECASTS OF PAYROLL AND BENEFITS EXPENSES FOR THE COMPANY?

A. Yes.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF	)	
RATE APPLICATION OF	)	Case No. 2013-00148
ATMOS ENERGY CORPORATION	)	

CERTIFICATE AND AFFIDAVIT

The Affiant, Joshua C. Densman, being duly sworn, deposes and states that the prepared testimony attached hereto and made a part hereof, constitutes the prepared supplemental rebuttal testimony of this affiant in Case No. 2013-00148, in the Matter of the Rate Application of Atmos Energy Corporation, and that if asked the questions propounded therein, this affiant would make the answers set forth in the attached prepared rebuttal testimony.

Joshua C. Densman

Joshua C. Densman

STATE OF Tennessee

COUNTY OF Williamson

SUBSCRIBED AND SWORN to before me by Joshua C. Densman on this the 8th day of January, 2014.

Pamela Pleasant

Notary Public

My Commission Expires: May 3, 2016

PAMELA PLEASANT STATE OF TENNESSEE NOTARY PUBLIC DAVIDSON COUNTY, TENN.

Kentucky Office of Attorney Genera
Adjust Payroll and Benefits
Atmos Electric Corporations
Forecasted Test Period November 30, 2014

ORIGINAL EXHIBIT BCO-2 Schedule A-7

A	B	C	D	E	
Line	Description	**Expense**		**Total Expense & Capital**	
1	**Kentucky Direct - OAG Adjustment**				
2	OAG Payroll	$6,519,624		$10,866,041	
3	Atmos Payroll	$8,500,877		$11,478,317	
4	OAG Adjustment - Payroll	($1,981,253)			
5					
6	OAG Benefits	$2,783,674		$5,567,348	
7	Atmos Benefits	$3,161,528		$6,796,500	
8	OAG Adjustment - Benefits	($377,854)			
9	OAG Total Adjustment - Ke	**($2,359,107)**			
10					
11	**SSU & DGO - OAG Adjustment**				
12	OAG Payroll	$4,688,394		$6,794,774	
13	Atmos Payroll	$4,815,551		$6,801,742	
14	OAG Adjustment - Payroll	($127,157)			
15					
16	OAG Benefits	$2,281,930		$4,563,860	
17	Atmos Benefits	$2,364,456		$5,118,967	
18	OAG Adjustment - Benefits	($82,526)			
19	OAG Total Adjustment - SS	**($209,683)**			
20					
21	**OAG Total Adjustment - I**	**($2,568,790)**			
22					
23		Total Proposed Expense Increase for			
24		Base and Forecasted Test Period			
25	Type of Payroll	Atmos $	Atmos %	OAG $	OAG %
26	Kentucky Direct - Payroll	$3,772,630	80%	$1,791,377	38%
27	Kentucky Direct - Benefits	$1,003,687	47%	$625,833	29%
28	SSU & DGO - Payroll	$519,373	12%	$392,216	
29	SSU & DGO - Benefits	$206,419	10%	$123,884	6%
30	Total Expense Increase Pro	$5,502,109	41%	$2,933,310	22%

Kentucky Office of Attorney Genera
Adjust Payroll, Benefits & Taxes
Atmos Energy Corporation
Forecasted Test Period November 30, 2014

Revised Exhibit BCO-2
Revised Schedule A-7

REVISED EXHIBIT BCO-2 SCHEDULE A-7

A	B	C	D	E	F	G	H
Line	Description	**Expense**	**Capital**	**Total Expense & Capital**	**% Increase Expense**	**% Increase Total**	**Reference**
1	**Kentucky Direct - OAG Adjustment**						
2	***PAYROLL (with payroll taxes)***						
3	Atmos Payroll - Forecasted Test Period	$5,339,350	$6,138,968	$11,478,318			OAG 117 & 120
4	OAG Actual 2012 Payroll	$4,728,247	$5,719,869	$10,448,116			OAG 120
5	Increase from Actual 2012 to Nov. 2014 Forecasted	$611,103	$419,099	$1,030,202	12.92%	9.86%	
6	Disallow 50% of Atmos Forecasted Increase	50%					
7	**OAG Adjustment - Payroll**	**$305,552**					
8	**OAG Payroll Increase Allowed for Base and Forecasted Test Period**		6.46%				
9							
10	***BENEFITS***						
11	Atmos Benefits - Forecasted Test Period	$3,161,528	$3,634,972	$6,796,500			OAG 117 & 120
12	OAG Actual 2012 Benefits	$2,157,841	$2,296,037	$4,453,878			OAG 120
13	Increase from 2012 Actual to Nov. 2014 Forecasted	$1,003,687	$1,338,935	$2,342,622	46.51%	52.60%	
14	Disallow 50% of Atmos Forecasted Increase	50%					
15	**OAG Adjustment - Benefits**	**$501,844**					
16	**OAG Benefit Increase Allowed for Base and Forecasted Test Period**		23.26%				
17							
18	***PAYROLL TAXES***						
19	Atmos Payroll Taxes - Forecasted Test Period	$364,805	$419,434	$784,239			OAG 120
20	OAG Actual 2012 Payroll Taxes	$338,313	$550,944	$889,257			OAG 120
21	Increase from 2012 Actual to Nov. 2014 Forecasted	$26,492	-$131,510	-$105,018	7.83%	-11.81%	
22	Disallow 50% of Atmos Forecasted Increase	50%					
23	**OAG Adjustment - Payroll Taxes**	**$13,246**					
24	**OAG Payroll Tax Increase Allowed for Base and Forecasted Test Period**		3.92%				
25							
26	**SSU & DGO - OAG Adjustment**						
27	***PAYROLL***						
28	SSU/DGO Payroll - Forecasted Test Period	$4,815,551	$1,986,191	$6,801,742			OAG 120
29	OAG Actual 2012 Payroll	$4,296,178	$2,300,690	$6,596,868			OAG 120
30	Increase from Actual 2012 to Nov. 2014 Forecasted	$519,373	-$314,499	$204,874	12.09%	3.11%	
31	Disallow 50% of Atmos Forecasted Increase	50%					
32	**OAG Adjustment - Payroll**	**$259,687**					
33	**OAG Payroll Increase Allowed for Base and Forecasted Test Period**		6.04%				
34							
35	***BENEFITS***						
36	SSU/DGO Benefits - Forecasted Test Period	$2,364,465	$2,754,502	$5,118,967			OAG 120
37	OAG Actual 2012 Benefits	$2,158,046	$1,493,042	$3,651,088			OAG 120
38	Increase from 2012 Actual to Nov. 2014 Forecasted	$206,419	$1,261,460	$1,467,879	9.57%	40.20%	
39	Disallow 50% of Atmos Forecasted Increase	50%					
40	**OAG Adjustment - Benefits**	**$103,210**					
41	**OAG Benefit Increase Allowed for Base and Forecasted Test Period**		4.78%				
42							
43	***PAYROLL TAXES***						
44	SSU/DGO Payroll Taxes - Forecasted Test Period	$390,787	$117,298	$508,085			OAG 120
45	OAG Actual 2012 Payroll Taxes	$332,437	$172,224	$504,661			OAG 120
46	Increase from 2012 Actual to Nov. 2014 Forecasted	$58,350	-$54,926	$3,424	17.55%	0.68%	
47	Disallow 50% of Atmos Forecasted Increase	50%					
48	**OAG Adjustment - Payroll Taxes**	**$29,175**					
49	**OAG Payroll Tax Increase Allowed for Base and Forecasted Test Period**		8.78%				
50							
52	**OAG Total Adjustment - Payroll, Benefits & Payroll Taxes**	**$1,212,712**					