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

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

November 19, 2013

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 its Rebuttal testimony and a petition for confidentiality for a highlighted portion of Gary Smith's testimony. 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
124 West Todd St.
Frankfort, KY 40601
502 227 7270
No Fax
jnhughes@fewpb.net

Attorneys for Atmos Energy Corporation

TESTIMONY

MARTIN, M. A.

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	)	

REBUTTAL TESTIMONY OF MARK A. MARTIN

I. INTRODUCTION

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

A. My name is Mark A. Martin. I am Vice President – Rates and Regulatory Affairs for the Kentucky/Mid-States Division of Atmos Energy Corporation ("Atmos Energy" or the "Company"). My business address is 3275 Highland Pointe Drive, Owensboro, Kentucky, 42303.

Q. PLEASE BRIEFLY DESCRIBE YOUR CURRENT RESPONSIBILITIES, AND PROFESSIONAL AND EDUCATIONAL BACKGROUND.

A. I am responsible for Rates and Regulatory Affairs matters in Kentucky. I graduated from Eastern Illinois University in 1995 with a degree in Accounting. I have been with United Cities Gas Company and subsequently Atmos Energy Corporation since September 1995. I have served in a variety of positions of increasing responsibility in both Gas Supply and Rates prior to assuming my current responsibility in 2007.

Q. HAVE YOUR SUBMITTED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes.

Q. HAVE YOU REVIEWED THE TESTIMONY OF THE INTERVENING PARTIES?

A. Yes, I have reviewed the testimony of the Attorney General's Office of Rate Intervention (OAG). I would note that although Stand Energy Corporation (Stand) is an intervener, Stand did not file any testimony in this proceeding.

II. PURPOSE AND SUMMARY OF REBUTTAL TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. My rebuttal testimony has five primary purposes. First, I will describe the Company's use of a forward looking test year in Kentucky and the recent history of its rate proceedings before this Commission. Second, I will describe the recommendations made in the OAG expert testimony that the Company accepts. Third, I will briefly mention items not addressed in OAG testimony. Fourth, I will rebut the testimony of Mr. Watkins related to the Company's proposed Margin Loss Rider (MLR). Fifth, I will rebut the testimony of Mr. Watkins related to Rate Design.

III. FORWARD LOOKING TEST YEAR

Q. HAVE YOU REVIEWED THE TESTIMONY OF OAG WITNESS MR. BION OSTRANDER?

A. Yes. Mr. Ostrander acknowledges that the Company's forward looking test period is compliant with Kentucky law, but throughout his testimony, he speaks against the use of a forward looking test year.

Q. PLEASE DESCRIBE 807 KAR 5:001.

A. The citation above references a section of the Kentucky statute which grants utility companies the option to use a fully forecasted test period in rate case proceedings.

Q. HAS THE COMPANY EVER USED A FULLY FORECASTED TEST YEAR IN A KENTUCKY RATE CASE PROCEEDING?

A. Yes. The Company has utilized a fully forecasted test year in Case Nos. 99-070, 2006-00464, 2009-00354, and 2013-00148.

Q. HAS THE COMPANY USED THE SAME METHODOLOGY IN APPLYING THE FULLY FORECASTED TEST YEAR IN THIS CASE AS IN PRIOR CASES?

A. Yes.

Q. DID THE KENTUCKY PUBLIC SERVICE COMMISSION (COMMISSION) ACCEPT THE COMPANY'S RATE CASE APPLICATIONS WHICH CONTAINED THE USE OF A FULLY FORECASTED TEST YEAR?

A. Yes.

Q. ARE YOU AWARE OF THE COMMISSION REJECTING AN APPLICATION FROM THE COMPANY DUE TO THE FACT THAT IT USED A FULLY FORECASTED TEST YEAR?

A. No.

IV. ACCEPTANCE OF CERTAIN OAG RECOMMENDATIONS

Q. DID THE OAG MAKE ANY RECOMMENDATIONS TO THE COMPANY'S FILED REVENUE REQUIREMENT?

A. Yes. It appears that the OAG proposes eight recommendations to the Company's filed revenue requirement.

Q. DOES THE COMPANY AGREE WITH ALL EIGHT PROPOSED OAG RECOMMENDATIONS?

A. No.

Q. DOES THE COMPANY AGREE WITH ANY OF THE PROPOSED OAG RECOMMENDATIONS?

A. Yes. The Company agrees with two of the eight proposed OAG recommendations.

Q. PLEASE EXPLAIN THE COMPANY'S ACCEPTANCE OF CERTAIN PROPOSED OAG RECOMMENDATIONS.

A. As mentioned earlier, the Company accepts two of the proposed OAG recommendations. The first proposed OAG recommendation that the Company accepts relates to the removal of duplicative billing system (CSS) maintenance fees (Adjustment OAG-1-BCO). The second proposed OAG recommendation that the Company accepts relates to the reduction of bad debt expense (Adjustment OAG-8-BCO). The Company agreed to both of these adjustments during the discovery phase of this proceeding (OAG 2-35 (b-c) and OAG 1-152).

Q. DO THE ACCEPTED PROPOSED OAG RECOMMENDATIONS IMPACT THE COMPANY'S FILED REVENUE REQUIREMENT?

A. Yes. The CSS maintenance fee adjustment equals $51,262. The bad debt expense adjustment equals $25,048. Both adjustments aggregate to $76,310 and reduce the Company's proposed revenue requirement by the same amount.

V. ITEMS NOT ADDRESSED IN OAG TESTIMONY

Q. DID THE COMPANY PROPOSE ANY ITEMS IN THIS CASE THAT WERE NOT ADDRESSED IN OAG TESTIMONY?

A. Yes. OAG testimony did not discuss the Company's proposal to make its Weather Normalization Adjustment (WNA) mechanism permanent, to expand its tariff language to promote the utilization of compressed natural gas (CNG), the Company's proposed System Development Rider (SDR) or the Company's proposed Door Tag Fee.

Q. DID THE OAG ASK ANY DISCOVERY QUESTIONS RELATED TO THE ITEMS NOT ADDRESSED IN THEIR TESTIMONY?

A. Yes. The OAG asked discovery related to all four areas outlined above.

Q. DO YOU BELIEVE THAT THE COMPANY'S WNA MECHANISM SHOULD BE MADE PERMANENT?

A. Yes. As stated in my direct testimony, the Company believes that its WNA mechanism has worked effectively since its inception. The WNA mechanism was initially proposed to separate or "decouple" impacts of weather-related volume on the Company's margin recovery. During periods of colder than normal weather,

the WNA lowers the Company's distribution charge and softens the impact of colder weather on consumers. Conversely, warmer than normal weather increases the distribution charge. Accordingly, the WNA, for weather-related volumes, help stabilize both the consumers' billings and the Company's revenues.

Q. DO OTHER KENTUCKY LDCS HAVE PERMANENT WNA MECHANISMS?

A. Yes. The Company is aware that LG&E received such approval in Case No. 2009-00172, Delta in Case No. 2001-00197 and Columbia in Case No. 1997-00299.

Q. DO YOU BELIEVE THAT THE COMPANY SHOULD BE ALLOWED TO EXPAND ITS TARIFF TO PROMOTE THE UTILIZATION OF CNG?

A. Yes. As stated in my direct testimony, the Company proposes to insert the same language from its T-3 and T-4 tariffs into its G-1 and G-2 tariffs which states that "no gas delivered under this rate schedule and applicable contract shall be available for resale to anyone other than an end-user for use as a motor vehicle fuel". As natural gas vehicles (NGV) become more prevalent, the Company anticipates additional opportunities and does not want its tariff to be an impediment to those opportunities.

Q. DO YOU BELIEVE THAT THE COMPANY'S PROPOSED SDR SHOULD BE APPROVED?

A. Yes. As stated in my direct testimony, the Company believes that its proposed SDR rider helps delay the timing and costs associated with a general rate proceeding. The proposed SDR would mimic the filing requirements of the

Company's Pipe Replacement Program that was approved by the Commission in Case No. 2009-00354. Also, the competition for customers that will bring new jobs and capital investment is more intense than ever. The Company believes that all customers will share in the benefits of increased industrial development and job creation and as a result should not be considered as being adversely affected by the SDR rider. If the Commission prefers an alternative to the SDR rider, the Company would be amenable to a rate stabilization mechanism.

Q. DO YOU BELIEVE THAT THE COMPANY'S PROPOSED DOOR TAG FEE SHOULD BE APPROVED?

A. Yes. As stated in my direct testimony, the Company is proposing to establish a door tag fee of $10.00. Once a customer becomes delinquent, the Company sends the customer a letter after five or ten days, depending on their credit rating, notifying the customer of their delinquent status. Often the Company will make a trip to the customer's premise and leave a door tag notifying the customer of possible disconnection. The Company believes that these trips to the customer's premise enhances customer service and also helps to prevent disconnection. The focus of the trips is predominantly during the winter months. The proposed fee, while nominal, is designed to help offset the cost of dispatching an employee to the customer's premise to leave the door tag.

VI. MARGIN LOSS RECOVERY (MLR) RIDER

Q. HAVE YOU REVIEWED THE TESTIMONY OF MR. WATKINS IN THIS PROCEEDING?

A. Yes.

Q. DOES MR. WATKINS SUPPORT THE COMPANY'S PROPOSED MLR?

A. No. Mr. Watkins dedicates twelve lines of testimony to state four reasons why the Company's proposed MLR should not be approved.

Q. WHY DID THE COMPANY PROPOSE THE MLR?

A. The purpose of the MLR is to allow the Company to recover 50% of any future lost margin between rate cases related to (1) the Company's existing Economic Development Rider, (2) discounts pursuant to the Alternative Fuel Responsive Flex Provisions or (3) negotiated rates with future bypass candidates. The MLR is intended to enhance the Company's system utilization while encouraging industrial development and job growth within the Company's service areas. Margin recovery associated with discounted service that is already reflected in the Company's base rates would be prohibited under the MLR.

Q. HAS THE COMMISSION PREVIOUSLY APPROVED A SIMILAR MECHASISM FOR THE COMPANY?

A. Yes. The Commission approved a similar mechanism in Case No. 99-070. The Commission approved a "black box" settlement in Case No. 99-070 which included the MLR.

Q. HAS THE COMPANY PROPOSED A SIMILAR MECHANISM SINCE ITS LAST RATE CASE, CASE NO. 2009-00354?

A. Yes. The Company proposed a similar mechanism last year in Case No. 2012-00066. The PSC considered this issue, but deferred a decision until the next rate case.

Q. DID THE OAG FILE ANY DATA REQUESTS AND/OR ANY COMMENTS IN OPPOSITION TO THE PROPOSED MLR IN CASE NO. 2012-00066?

A. No.

Q. IS THE MLR PROPOSED IN THIS PROCEEDING SIMILAR TO THE ONE PROPOSED IN CASE NO. 2012-00066 AND APPROVED IN CASE NO. 99-070?

A. Yes.

Q. EARLIER YOU STATED THAT MR. WATKINS LISTED FOUR REASONS WHY THE MLR SHOULD NOT BE APPROVED. WHAT WAS THE FIRST REASON?

A. Mr. Watkins stated that the MLR would be single issue rate making and should not be approved.

Q. DO YOU AGREE WITH MR. WATKINS?

A. No.

Q. PLEASE EXPLAIN.

A. The Company does not believe that the proposed MLR is any different than any other rider that the Company or any other company has in effect. The calculation of the MLR would be the difference between existing tariff rates and the negotiated special contract rates. The difference would then be divided by two. The quotient would be collected over estimated sales volumes as used in the Correction Factor of the Gas Cost Adjustment Rider. A balancing adjustment would also be calculated on an annual basis and be used to reconcile the

difference between the amount of revenues actually billed through the MLR and the revenues which should have been billed. The balance adjustment amounts calculated would include interest to be calculated at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding twelve-month period. The Commission would review any proposed MLR before it could be billed. The MLR as with the Company's Pipe Replacement Program (PRP) would zero out at the conclusion of each subsequent rate case.

Q. WHAT WAS MR. WATKINS SECOND REASON FOR OPPOSING THE MLR?

A. Mr. Watkins stated that the MLR would not be material to the Company's operations.

Q. HOW DID MR. WATKINS DETERMINE MATERIALITY?

A. He does not provide any support for his conclusion nor does he state how he determined materiality or provide any calculation of such.

Q. WHAT WAS MR. WATKINS THIRD REASON FOR OPPOSING THE MLR?

A. Mr. Watkins states that there is no regulatory review for the prudency and the need for any special contract.

Q. IS MR. WATKINS CORRECT?

A. Absolutely not. All special contracts must be reviewed by the Commission. All special contracts associated with the Economic Development Rider (EDR) must be approved by the Commission before they become effective. Therefore, the Commission ultimately determines the need and the prudency of such contracts.

Q. WHAT WAS MR. WATKINS FOURTH REASON FOR OPPOSING THE MLR?

A. Mr. Watkins claims that the Company has not been able to support the legitimacy nor the need for current discounted rates, let alone future discounts.

Q. DO YOU AGREE WITH MR. WATKINS?

A. No, as discussed in the rebuttal testimony of Gary Smith, there was, and continues to be a need for special contract rates under certain circumstances.

Q. DO YOU BELIEVE THAT THE COMPANY'S PROPOSED MLR SHOULD BE APPROVED?

A. Yes. As stated in my direct testimony, the Company believes that its proposed MLR rider helps delay the timing and costs associated with a general rate proceeding. The Company believes that all customers will share in the benefits of increased industrial development and job creation and as a result should not be considered as being adversely affected by the MLR rider. Also, the Company's proposal is similar to a rider that the Commission has approved in the past.

VII. RESIDENTIAL RATE DESIGN

Q. HAVE YOU REVIEWED MR. WATKINS TESTIMONY RELATED TO RESIDENTIAL RATE DESGIN?

A. Yes. Company witness Mr. Paul Raab will discuss in more detail the Class Cost of Service issues in Mr. Watkins testimony. I wanted to address the recommendation related to Residential Rate Design in Mr. Watkins testimony.

Q. WHAT WAS MR. WATKINS' RECOMMENDATION RELATED TO RESIDENTIAL RATE DESIGN?

A. On lines 12-13 of page 46 of Mr. Watkins' testimony, he states that there should be no increase from the current Residential Base Charge of $14.28. Theoretically, Mr. Watkins is advocating a cap to the Residential Base Charge.

Q. HOW DID MR. WATKINS DETERMINE HIS RECOMMENDATION OF $14.28?

A. The $14.28 is the sum of the Company's current Residential G-1 Base Charge of $12.50 and the Company's Residential G-1 PRP Customer Charge that was in effect prior to October 1, 2013 which was $1.78.

Q. DID THE RESIDENTIAL G-1 PRP CUSTOMER CHARGE CHANGE ON OCTOBER 1, 2013?

A. Yes. On September 17, 2013, the Commission issued an Order in Case No. 2013-00304 which approved the PRP investment for October 2013 through September 2014 that is also imbedded in the revenue requirement in this Case. The Commission's Order increased the Residential G-1 PRP Customer Charge from $1.78 to $2.61 for service rendered on or after October 1, 2013.

Q. WILL THE COMPANY'S EXISTING PRP RATES ZERO OUT AT THE CONCLUSION OF THIS CASE?

A. Yes. The investment reflected in the Company's existing PRP rates will roll into Rate Base and the PRP will zero out until the Company's next PRP filing.

Q. WHAT WAS THE COMPANY'S PROPOSED RESIDENTIAL G-1 BASE CHARGE?

A. The Company proposed a Residential G-1 Base Charge of $16.00.

Q. FOR COMPARISON PURPOSES, WHAT IS THE CURRENT TOTAL RESIDENTIAL BASE CHARGE THAT CUSTOMERS ARE PAYING TODAY?

A. $15.11. The $15.11 is the sum of the Company's current Residential G-1 Base Charge of $12.50 and the Company's current Residential G-1 PRP Customer Charge of $2.61.

Q. ARE THERE OTHER LDCs IN KENTUCKY WHICH HAVE A CUSTOMER CHARGE GREATER THAN $14.28?

A. Yes. While each natural gas company in Kentucky is structured differently, the Company is aware that Delta Natural Gas Company has a Base Charge of $20.70 and that Duke Energy has a Base Charge of $16.00.

Q. DO YOU BELIEVE THAT THE COMMISSION SHOULD ISSUE A PRICE CAP ON THE RESIDENTIAL BASE CHARGE?

A. No.

Q. PLEASE EXPLAIN.

A. I believe that a price cap would create a bad precedent. While the Company would like to recover 100% of its fixed costs in a fixed rate component, the Company is not proposing such a rate design. However, the Company believes that its proposed Residential Base Charge of $16.00 is reasonable. The Company would still have a volumetric Distribution Charge. Finally, it appears that the Commission's unofficial policy is to improve a utility's revenue stability and improve the utility's recovery of its fixed costs through a fixed rate component.

VIII. CONCLUSION

Q. DOES THIS CONCLUDE YOUR REBUTTAL 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, Mark A. Martin, being duly sworn, deposes and states that the prepared testimony attached hereto and made a part hereof, constitutes the prepared 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.

Mark A. Martin

STATE OF Kentucky

COUNTY OF Daviess

SUBSCRIBED AND SWORN to before me by Mark A. Martin on this the 1st day of November, 2013.

Notary Public - State of Kentucky at Large

My Commission Expires: Sept. 26, 2017

Notary ID: 496385

DENSMAN. J. C.

BEFORE THE PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

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

REBUTTAL 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. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to rebut Adjustments OAG-2-BCO, OAG-3-BCO, OAG-4-BCO and OAG-5-BCO as filed in the testimony of OAG witness Mr. Bion Ostrander.

II. THE OAG'S ADJUSTMENT TO INFLATION IS INAPPROPRIATE

Q. DO YOU AGREE WITH OAG'S ADJUSTMENT OAG-2-BCO?

A. No. There are several errors and incorrect assumptions in both Mr. Ostrander's calculations and reasoning behind his inflation adjustment.

Q. ARE YOU FAMILIAR WITH OAG'S $496,907 DOWNWARD ADJUSTMENT FOR INFLATION COSTS?

A. Yes. The OAG is proposing a downward adjustment to O&M expenses in the amount of $496,907. One-half of this adjustment is for inflation for which the OAG assumes is factored into the base period, while the remaining one-half of the adjustment is for inflation calculated for the forecasted test period. The OAG's calculations are shown on Schedule A-4 of Exhibit BCO-2.

Q. WHY DO YOU DISAGREE WITH OAG'S ADJUSTMENT TO INFLATION?

A. Mr. Ostrander assumes that Atmos applied a 2.7% inflation factor to its base period amount, and states that he "doubled this inflation factor impact...for the base period increase that Atmos may have carried forward to inclusion in the forecasted test period amounts."[1] This assumption is incorrect as Atmos did not apply any inflation factors to the base period. Uncertain of the adjustment he had proposed, Mr. Ostrander concedes that "[i]f Atmos did not reflect the 2.7% inflation adjustment in both the base period and forecasted test period, then I am not opposed to removing the base period inflation impact from my adjustment."[2] Removing the adjustment for inflation strictly related to the base period would lower Mr. Ostrander's proposed inflation adjustment by $248,454.

[1] Direct Testimony of Bion Ostrander, Page 22, Lines 8-11
[2] Direct Testimony of Bion Ostrander, Page 22, Lines 12-15.

Q. IS THERE STILL SOME APPARENT CONFUSION AS TO WHETHER AN INFLATION FACTOR WAS APPLIED TO THE BASE PERIOD?

A. Yes. Atmos did not apply an inflation factor to the base period and it is unclear why Mr. Ostrander continues to be confused on this issue. Kentucky Administrative Regulation 807 5:001(16)(11)(a) clearly states that adjustments are made to the base period in order to develop forecasted test period data. My direct testimony on Pages 13 and 14 clearly explains that the base period is made up of 7 months of actual per books expenses and 5 months of the Company's Fiscal Year 2013 budget. Actual expenses, by their nature, would not, and do not have an inflation factor applied. The Company's 5 months of budgeted data, as filed, do not contain an inflation factor over and above the documented budget. The Company would not, and did not inflate a budgeted number or misrepresent it to be a budgeted number without making the Staff and OAG aware. To do so would be inappropriate and inconsistent with Atmos' budgeting policies. Additionally, the Company's response to Staff 1-59, attachment 15 titled "FY13 OM Forecast" under the Division 9 Forecast tab clearly shows the inflation factors in Column P, the base period in columns D through O, and the forecasted test period in columns S through AC. The Division 002, 012 and 091 forecast tabs are structured this way as well. As the OAG requested and the Company provided a working Excel copy with formulas intact, it is clear from this document that an inflation factor was not applied to the base period. Perhaps the clearest example of the Company's effort to make Mr. Ostrander aware that an inflation factor was not applied to the base period can be found in the Company's

Discovery Request 5(a) to the OAG. In this request, the Company clearly states that no inflation factor was applied to the base period.

Q. IS THAT THE ONLY PROBLEM WITH MR. OSTRANDER'S ADJUSTMENT?

A. No. Mr. Ostrander makes an additional mistake in his inflation adjustment. On Line 21 of Exhibit BCO-2 Schedule A-4, he adds back a "Negative Miscellaneous Expenses Credit Amount" in the amount of $2,838,849 to come up with his calculated O&M total of $9,201,987. By multiplying this total amount by 2.7%, Mr. Ostrander arrives at the amount of $248,454, which he accounts for twice (once for the base period and once for the forecasted test period). Thus, his total inflation factor adjustment comes out to be $496,907. However, Mr. Ostrander is incorrect to add back the negative Miscellaneous Expenses Credit Amount, which primarily relates to the indirect construction overhead capitalization credit in the Company's SSU. Doing so overstates total O&M prior to Mr. Ostrander calculating the adjustment.

Q. WHAT IS THE IMPACT OF THESE ERRORS?

A. Mr. Ostrander's improper inflation adjustment to the base period is an overstatement in the amount of $248,454. Mr. Ostrander's improper inclusion of the Negative Miscellaneous Expenses Credit Amount results in an overstatement of $76,648. In total, Mr. Ostrander's errors results in an overstatement of $325,102 to his proposed inflation adjustment. Even if you assume that Mr. Ostrander's argument to remove the inflation factor had merit, his proposed

adjustment should have been $171,804 once these issues are removed from his calculations.

Q. DOES MR. OSTRANDER'S ARGUMENT REGARDING INFLATION HAVE MERIT? IN OTHER WORDS, DO YOU AGREE WITH MR. OSTRANDER THAT THE INFLATION FACTOR SHOULD NOT BE APPLIED AT ALL?

A. No. The use of an inflation factor for the forecasted test period is appropriate and the Company used a 2.7% inflation factor consistent with the Consumer Price Index (CPI) as published by the United States Government.[3] The CPI is a generally accepted and approved indicator of price changes over time. Mr. Ostrander appears to disagree and believes the Company should base any inflation forecast on historical changes in price. This position demonstrates Mr. Ostrander's fundamental misunderstanding of the issue. Historical inflation rates and changes in expenses have little if anything to do with future inflation rates. Inflation accounts for changes in future prices rather than changes in historical costs. The use of an inflation factor consistent with the CPI is the most reliable, objective and fair method of predicting forecast test period expenses. The Company believes its projected level of overall expenses is reasonable and, as further explained by Company witness Mr. Mark Martin in his rebuttal testimony, the methodology is consistent with the Company's prior proceedings that have been accepted by the Commission.

Q. HOW DOES MR. OSTRANDER PROPOSE TO PROJECT EXPENSES FOR THE FORECASTED TEST PERIOD?

[3] See CPI index tab of FY13 OM Forecast workpaper in Response to Staff 1-59.

A. Mr. Ostrander offers no alternative to the Company's use of the CPI. Mr. Ostrander states that actual historical changes in expenses should be factored into future inflation rates. Again, this is counterintuitive as inflation rates change each year and cannot be forecasted based on changes in the past. Interestingly, the OAG's other witness to the case, Mr. Glenn Watkins clearly takes the position in his testimony that inflation exists and is a force that Atmos should take into account in conducting business operations.[4]

Q. ARE THERE ANY OTHER PROBLEMS WITH MR. OSTRANDER'S INFLATION ADJUSTMENT?

A. Yes. Mr. Ostrander's reasoning for this adjustment is based on the theory that, because some of Atmos' O&M expenses decreased from 2011-2012, there is no justification for using any inflation factor to forecast test year expenses.[5] This reasoning is flawed in several ways. Mr. Ostrander appears to have picked a point in time which conveniently supports his historical costs argument. This approach ignores the appropriate base period and fully forecasted test period as provided for in 807 KAR 5:001. For Mr. Ostrander to claim that the Company's position is "unreasonable, unjustified and does not meet a reasonable burden of proof"[6] is contrary to the record in this proceeding and to administrative regulations. He then asserts that the Company has provided no documentation supporting inflation. It is Mr. Ostrander who provides no documentation or support for not including an inflation factor.

[4] See Testimony of Glenn A. Watkins, Page 40, Line 14.
[5] See e.g., Direct Testimony of Bion Ostrander, Page 17, Table BCO-1.
[6] Direct Testimony of Bion Ostrander, Page 17, Lines 5-6.

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

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

A. No. Mr. Ostrander makes several errors and incorrect assumptions in his adjustment to Payroll and Benefits Expense.

Q. ARE YOU FAMILIAR WITH OAG'S ORIGINAL PROPOSED DOWNWARD ADJUSTMENT OF $2,568,790 TO PAYROLL AND BENEFITS EXPENSE?

A. Yes. The OAG's proposed adjustment consists of a $2,359,107 downward adjustment to Kentucky Direct Payroll and Benefits, of which $1,981,253 was assigned to Payroll and $377,854 was assigned to Benefits. OAG also proposed a downward adjustment of $209,683 for SSU and DGO Payroll and Benefits.

Q. PLEASE DESCRIBE THE ERRORS WITHIN THE OAG'S ORIGINAL ADJUSTMENT MADE TO KENTUCKY DIRECT PAYROLL AND BENEFITS EXPENSE IN THE AMOUNT OF $2,359,107.

A. The largest error in this adjustment occurs in the expense portion of his original calculations for Kentucky Direct Payroll. Schedule A-7 of Exhibit BCO-2 shows the expense portion of Atmos' Kentucky Direct Payroll to be $8,500,877. This amount is incorrect. The expense portion of Kentucky Direct Payroll proposed by Atmos is $5,339,350.[7] Mr. Ostrander included the Kentucky Direct Benefits amount twice; the second time as a separate adjustment on lines 6 and 7 of Schedule A-7 causing an overstatement to Kentucky Direct Payroll in the amount

[7] See Workpaper labeled "JCD-1" provided in original filing. Also available in workpaper labeled "FY13 OM Forecast" provided in response to Staff 1-59.

of $3,161,428. It should be noted that when corrected, Atmos' proposed Kentucky Direct Payroll of $5,339,350 is actually significantly less than the $6,519,624 proposed by Mr. Ostrander (BCO-2, Schedule A-7).

Q. IS THIS THE ONLY ERROR MR. OSTRANDER COMMITS IN CALCULATING HIS ORIGINAL $2,359,107 DOWNWARD ADJUSTMENT TO KENTUCKY DIRECT PAYROLL AND BENEFITS EXPENSE?

A. No. Mr. Ostrander compounds his errors by using Fiscal 2012 amounts as a baseline, rather than the base period as required by administrative regulation. Mr. Ostrander's assertion that Atmos' Kentucky Direct Payroll has increased 80%, which he describes as "exceedingly unusual and significant"[8] is manifestly wrong. Once correct amounts and correct time frames are used the proposed increase by Atmos from the base period to the forecasted test period, a period of 16 months, is actually 5.97%. For Kentucky Direct Benefits, Mr. Ostrander offers no supporting workpapers for his proposed adjustment of $377,854 and the Company has been unable to determine the methodology used by Mr. Ostrander to calculate this amount despite discovery requests for additional support related to this adjustment.

Q. IS THIS ERROR INDICITIVE OF EITHER A GENERAL LACK OF UNDERSTANDING OF ATMOS' APPLICATION OR MR. OSTRANDER'S REFUSAL TO USE BASE PERIOD DATA?

A. Yes. Mr. Ostrander continually ignores the base period data when calculating his adjustments and instead resorts to FY 2012 data as a baseline. Mr. Ostrander's

[8] *See* Ostrander Testimony, Page 37, Lines 16-18

faulty comparisons of the benefit increases to FY 2012 numbers rather than the appropriate base period, coupled with his overall adjustments to Payroll and Benefits which include incorrect numbers and no supporting workpapers, cannot be a credible basis for his proposed adjustment. This credibility is especially suspect for Payroll and Benefits as Mr. Ostrander often refers to his overall adjustment of 22% as "fair and reasonable."[9] This overall number includes the errors described above and is an incorrect starting point from which Mr. Ostrander begins his arbitrary deductions to Atmos' proposed numbers.[10]

Q. DID MR. OSTRANDER ATTEMPT TO REVISE HIS PAYROLL AND BENEFITS ESTIMATES IN RESPONSE TO DATA REQUESTS BY THE COMPANY AND STAFF?

A. Not only did Mr. Ostrander attempt to revise his initial adjustment made to Kentucky Direct Payroll, he inexplicably revises his entire methodology as to how he calculates his adjustments. Although no corrected direct testimony has been filed, it appears from reading the discovery response that the methodology is revised not only for Kentucky Direct Payroll where his largest mistake occurred, but is also applied to Kentucky Direct Benefits as well as SSU and DGO Payroll and Benefits. Utilizing a new methodology, Mr. Ostrander takes the difference between Atmos' forecasted test period amounts and FY 2012 actuals, and deducts 50% from each amount to form his adjustment. This new approach to calculating the adjustment is entirely different from the previous methodology with which Mr. Ostrander formed in his Original Schedule A-7. Not only is this new

[9] Ostrander Testimony, Page 36, Line 5.
[10] See Ostrander Testimony, Table BCO-5, Page 36.

approach entirely different and unsupported by testimony, but it arbitrarily drives up the adjustments to KY Direct Benefits and SSU/DGO Labor and Benefits. For instance, in his original Schedule A-7, Mr. Ostrander made his adjustment to KY Direct Benefits in the amount of $377,854. In his revised schedule, Mr. Ostrander inexplicably drives up this adjustment to $501,844 by utilizing a completely new methodology which he fails to justify. This same pattern is evident in SSU/DGO Payroll and SSU/DGO Benefits amounts. In the original schedule A-7, Mr. Ostrander's downward adjustments were $127,157 and $82,526 respectively. In his revised schedule A-7 using his new methodology these adjustments are $259,687 and $103,210 respectively.

Q. DID MR. OSTRANDER OFFER ANY SUPPORT FOR HIS NEW METHODOLOGY IN CALCULATING HIS REVISED SCHEDULE A-7.

A. No. Mr. Ostrander offers no explanation or justification for switching methodologies in calculating his Payroll and Benefits adjustments. Furthermore, while Atmos is sure that Mr. Ostrander has utilized two different methodologies, the Company has been unable to determine how Mr. Ostrander calculated his initial Original Schedule A-7 adjustments. The Company asked in multiple data requests for working Excel files with formulas intact so that Mr. Ostrander's deductions could be sourced. However, the information provided was unresponsive and lacked any useful formulas or calculations. Footnote 11 in Mr. Ostrander's testimony mentions that his calculations are based on 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."[11] Atmos has been unable to reconcile the amounts proposed by Mr. Ostrander in his original Schedule A-7 to this methodology he describes in the referenced footnote. At no point in Mr. Ostrander's response to data requests or within his Revised Schedule A-7 does he offer an explanation or justification for his switch in methodology that takes a 50% deduction from the difference between Atmos' forecasted test period amounts and Fiscal 2012 Actuals. These revisions and changes in methodology by Mr. Ostrander in the way he calculated Payroll and Benefits adjustments make it appear that Mr. Ostrander is seeking to hit a target amount in downward adjustments rather than conducting objective analysis of proper Payroll and Benefits amounts.

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

A. No. In his testimony Mr. Ostrander did not offer any supporting workpapers showing how his individual adjustments to Payroll and Benefits were calculated. In many cases, Mr. Ostrander states that his adjustments were made only because he believes they were "fair and reasonable."[12] The Company believes that its application consisting of both workpapers and the direct testimony supporting these amounts are proper and reasonable.

Q. ANY ADDITIONAL COMMENTS REGARDING PAYROLL AND BENEFITS?

A. The Company's proposed payroll and benefits is forecast in a method consistent with prior cases and results in an overall reasonable level of expense to be utilized

[11] See Ostrander Testimony, Page 33, Footnote 11
[12] *See e.g.*, Ostrander Testimony, Page 37, Lines 16-18; Page 36, Line 5.

when establishing a cost of service in this proceeding. As demonstrated in my rebuttal testimony, Mr. Ostrander's adjustment should be rejected because of its numerous flaws and because, if accepted, it will result in a level of payroll and benefits expense lower than what will be incurred by Company.

IV. THE OAG'S ADJUSTMENT FOR INCENTIVE COMPENSATION IS INAPPROPRIATE.

Q. DO YOU AGREE WITH OAG'S ADJUSTMENT OAG-5-BCO FOR INCENTIVE COMPENSATION COSTS?

A. No. Mr. Ostrander's adjustment contains both errors and flawed reasoning in his calculations.

Q. ARE YOU FAMILIAR WITH OAG'S $785,472 DOWNWARD ADJUSTMENT TO INCENTIVE COMPENSATION COSTS?

A. Yes. The OAG is proposing to remove 50% of incentive compensation expenses as calculated by Mr. Ostrander on Schedule A-8 of Exhibit BCO-2.

Q. PLEASE DESCRIBE THE ERRORS WITHIN OAG'S $785,472 DOWNWARD ADJUSTMENT FOR INCENTIVE COMPENSATION COSTS?

A. Mr. Ostrander's adjustment to Atmos' incentive compensation contains an error which leads him to overstate his proposed adjustment by $785,472. On Schedule A-8 of Exhibit BCO-2 Mr. Ostrander provides the calculations that resulted in his adjustment. On lines 1 and 2 of this schedule, Mr. Ostrander lists amounts for Fiscal 2012 "LTIP."[13] On lines 6 through 8 he has amounts listed for "Restricted

[13] Long-Term Incentive Plan

Stock Plans." In actuality, the LTIP and Restricted Stock Plans are one in the same so he has actually "double counted" them in his Schedule causing an overstatement in his adjustment. Removing the Fiscal 2012 LTIP expenses in his Schedule, and taking the 50% proposed adjustment by Mr. Ostrander, the correct amount he should have proposed as his adjustment is $582,227. However, the Company does not believe any adjustment should be made to incentive compensation costs.

Q. DID MR. OSTRANDER ATTEMPT TO CORRECT HIS ERROR FOR INCENTIVE COMPENSATION COSTS IN RESPOSE TO DATA REQUESTS?

A. Yes. In his response to discovery, Mr. Ostrander revised his downward adjustment to incentive compensation from $785,472 to $582,228. This new adjustment is reflected on Revised Exhibit BCO-2, Schedule A-8. Even with this revision, Atmos does not believe any adjustment should be made to incentive compensation costs from what the Company filed in its initial application.

Q. ARE THE INCENTIVE COMPENSATION COSTS INCLUDED IN THE COMPANY'S FILING REASONABLE?

A. Yes. The Company's total forecasted test period compensation expense is fair, just and reasonable. First, Atmos is not unique in making incentive compensation part of the overall compensation package that it provides to its employees. Second, Atmos designs its total compensation package to be in the middle of the job market in which Atmos competes for talent. This means that there are as many companies offering total compensation above Atmos' package as below for

comparable jobs. It is important to understand that "total compensation" does not represent only base salary, but also includes bonuses, benefits, retirement, etc. Because Atmos falls in the middle of the job market in terms of the overall compensation packages, the Company believes the incentive compensation costs that are a component of this overall compensation package are reasonable and should be recovered as part of revenue requirement. The OAG has offered no testimony or evidence to refute this.

Q. ARE THERE BENEFITS TO CUSTOMERS IN THE COMPANY'S INCENTIVE PAY CRITERIA?

A. Yes. Atmos has in this case requested recovery of incentive pay for those employees that are involved in the day-to-day operation of Kentucky / Mid-States Division system. These employees include meter readers and field personnel who connect gas service to customer homes and inspect the system to ensure compliance with regulatory requirements. Also included are the customer service agents, the employees who provide safety and other field-related training programs, as well as those responsible for our community outreach programs. In order to meet the Company's incentive pay criteria, all of these Company employees must work together to ensure that the Company operates efficiently and effectively. Efficient and effective operations translate into lower costs and therefore lower rates for customers. Strong financial performance for the Company and lower rates for customers are, therefore, not mutually exclusive.

V. THE OAG'S ADJUSTMENT TO SSU AND DGO ALLOCATED EXPENSES IS INAPPROPRIATE.

Q. DO YOU AGREE WITH THE OAG'S ADJUSTMENT OAG-3-BCO FOR SSU AND DGO ALLOCATED EXPENSES?

A. No. The Company disagrees with the OAG's downward adjustment and believes that the underlying costs presented in my forecast are reasonable and appropriate. The reason that costs are higher on an allocated basis is because the allocation factors have changed as a result of the asset sales that have occurred since Company's most recent general rate proceeding, Case No. 2009-00354. In fact, the combined pool of O&M expenses allocated from SSU and DGO are decreasing from the base period to the forecasted test period.[14] For a thorough narrative of the Company's structure of shared costs and allocations processes, please see the rebuttal testimony of Company witness Mr. Jason Schneider. As explained fully in his testimony, the Company's allocation methodology and its application to shared expenses have been applied consistently and objectively since the Company's original adoption of its Cost Allocation Manual.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

[14] See Exhibit JCD-2 attached hereto.

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 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

STATE OF Tennessee

COUNTY OF Williamson

SUBSCRIBED AND SWORN to before me by Joshua C. Densman on this the 15th day of November, 2013.

Pamela Pleasant

Notary Public

My Commission Expires: May 3, 2016

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

Operation and Maintenance Expenses

	As Filed			If Allocated on a pre-sale basis		
	Base Year	Test Year	% change	Test Year	change	% change
Kentucky Direct	13,892,232	13,671,774	-1.6%	13,671,774	(220,459)	-1.6%
SSU before allocations	124,477,619	122,138,326	-1.9%	122,138,326	(2,339,293)	-1.9%
DGO before allocations	11,237,113	12,429,925	10.6%	12,429,925	1,192,812	10.6%
Total Gross	149,606,965	148,240,025	-0.9%	148,240,025	(1,366,940)	-0.9%
allocated from SSU	6,410,613	6,838,783	6.7%	6,258,404	(152,210)	-2.4%
allocated from DGO	4,466,231	6,187,133	38.5%	4,192,614	(273,617)	-6.1%
total allocated amounts	10,876,844	13,025,916	19.8%	10,451,018	(425,827)	-3.9%
Total KY with allocations	24,769,077	26,697,690	7.8%	24,122,791	(646,285)	-2.6%

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	)	

REBUTTAL TESTIMONY OF JASON L. SCHNEIDER

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Jason L. Schneider. My business address is 5430 LBJ Freeway, Suite 600, Dallas, Texas 75240.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am the Director of Accounting Services for Atmos Energy Corporation (hereinafter "Atmos" or the "Company").

Q. DID YOU PREVIOUSLY SUBMIT TESTIMONY AND EXHIBITS IN THIS DOCKET?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. The purpose of my testimony is to provide additional testimony in support of Company witness Mr. Josh Densman's rebuttal of Adjustment OAG-3-BCO as filed in the testimony of OAG witness Mr. Bion Ostrander.

Q. WHAT ARE THE FUCTIONS OF SHARED SERVICES (SSU) AND THE KENTUCKY MID-STATES DIVISION GENERAL OFFICE (DGO)?

A. The Company's Shared Services Unit (SSU) consists of functions that serve multiple rate divisions. These services include departments such as legal, billing, call center, accounting, information technology, human resources, gas supply, and rates administration among others. SSU is comprised of SSU – General Office (Division 002) and SSU – Customer Support (Division 012). SSU – General Office includes all other functions not encompassed by SSU – Customer Support. SSU – Customer Support includes billing, customer call center functions and customer support related services. The Kentucky Mid-States General Office (DGO) is an administrative office that is located outside of SSU which serves as the base of operations and central office for the operating division that encompasses the Company's operations in Kentucky, Tennessee and Virginia.

Q. HOW ARE SSU AND DGO EXPENSES ALLOCATED TO KENTUCKY?

A. SSU – General Office department expenses are allocated by department to the applicable operating divisions using the Composite Factor. Each DGO's charges are allocated to the rate divisions using the composite rate for each rate division. Costs are allocated to operating divisions based on a composite factor applied to the SSU departments.

The Composite Factor is the simple average of three percentages:

(1) The average percentage of Gross Direct Property Plant and Equipment in each operating division unit as a percentage of the total Direct Property Plant and Equipment in all of the operating divisions.

(2) The average number of customers in each operating division as a percentage of the total number of customers in all of the operating divisions.

(3) The total direct O&M expense in each operating division as a percentage of the total direct O&M expense in all operating divisions.

SSU – Customer Service department expenses are allocated by cost center to the applicable operating division based on the average number of customers in each operating division as a percentage of the total number of customers in all of the operating divisions.

DGO department expenses, which are incurred directly in the DGO, are allocated to the rate divisions utilizing the composite rate for each rate division. The calculations for factors used in this filing for both SSU and DGO were provided in the response to data request OAG 1-082.

Q. WHEN ARE THE COMPOSITE AND CUSTOMER FACTORS DETERMINED?

A. Composite and customer factors are determined annually based on the most recent completed fiscal year. For example, when determining Fiscal Year 2013 composite factors, the Company utilized amounts from Fiscal Year ending September 30, 2012.

Additionally, the factors are reviewed and updated when there is a significant change in the business operations during the fiscal year.

Q. HAVE THERE BEEN SIGNIFICANT CHANGES IN THE BUSINESS OPERATION DURING THE MOST RECENT FISCAL YEAR THAT WOULD CAUSE A REVIEW OF THE FACTORS USED FOR ALLOCATION OF EXPENSES?

A. Yes. The sale of our Georgia operations required the Company to review its allocation factors at the time of the sale. The company removed the amounts in the respective calculations related to the Georgia operations. This transaction caused the allocation factors, as described hereinabove, to change. The change in allocation factors resulted in a larger share of shared costs from Shared Services and the Kentucky Mid-States Division General Office to be allocated to the Kentucky jurisdiction. The new (post Georgia divestiture) allocation factors were used to develop the forward looking test year revenue requirement in this case. As described more fully in the testimony of Josh Densman, the divestiture had no impact on the forecast methodology of the underlying shared costs. Shared costs were forecasted as described in Mr. Densman's pre-filed direct testimony. The appropriate allocation factors were then applied to that forecast to develop the revenue requirement in this case.

Q. WHAT EVENTS WOULD CAUSE THE FACTORS TO ALLOCATE FEWER EXPENSES TO KENTUCKY?

A. A reduction of any of the factors used to determine the factor within the Kentucky rate division, an increase of any of the factors used to determine the factors for rate divisions other than Kentucky, acquisition activity, or consolidation of operation divisions would reduce the amount of expenses allocated to Kentucky.

An example of acquisition activity was the acquisition of TXU's distribution and intrastate pipeline assets in October 2004. An example of a consolidation activity occurred when the Company consolidated the Kentucky division with our Mid-States division into the Kentucky/Mid-States Division in 2006. Both of these changes resulted in a decrease in shared costs being allocated to Kentucky irrespective of the total level of underlying costs.

Q. WHAT EVENTS WOULD CAUSE THE FACTORS TO ALLOCATE ADDITIONAL EXPENSES TO KENTUCKY?

A. An increase of any of the factors used to determine the factor within the Kentucky rate division, a reduction of any of the factors used to determine the factors for rate divisions other than Kentucky, or divestiture activity. Examples of divestiture activity include the sale of our Georgia operations in April 2013 and the sale of our Missouri, Illinois and Iowa operations in 2012. Both transactions resulted in an increase of shared costs being allocated to Kentucky irrespective of the total level of underlying costs.

Q. HAS THE COMPANY APPLIED ITS ALLOCATION METHODOLOGY CONSISTENTLY, OBJECTIVELY, AND IN ACCORDANCE WITH ITS COST ALLOCATION MANUAL SINCE THE INITIAL INCEPTION OF THE COST ALLOCATION MANUAL?

A. Yes.

Q. IS THE PRIMARY REASON FOR THE INCREASE IN ALLOCATED O&M EXPENSES IN THE TEST PERIOD IN THIS CASE DUE TO INCREASING UNDERLYING COSTS OR THE CHANGE IN THE

ALLOCATION FACTORS FOLLOWING THE RECENT ASSET SALES OF THE COMPANY'S OPERATIONS IN FOUR STATES?

A. The primary driver of the increase in allocated O&M is the change in the allocation factors. Total underlying costs are not increasing at an unreasonable level. Please see the pre-filed and rebuttal testimony of Josh Densman for a complete explanation.

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, Jason L. Schneider, being duly sworn, deposes and states that the prepared testimony attached hereto and made a part hereof, constitutes the prepared 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.

Jason L. Schneider

Jason L. Schneider

STATE OF Texas

COUNTY OF Dallas

SUBSCRIBED AND SWORN to before me by Jason L. Schneider on this the _____ day of November, 2013.

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

Pamela L. Perry

Notary Public

My Commission Expires: 10-29-16

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	)	

REBUTTAL TESTIMONY OF GREGORY K. WALLER

Q. PLEASE STATE YOUR NAME, JOB TITLE AND BUSINESS ADDRESS.

A. My name is Gregory K. Waller. I am Manager, Rates and Regulatory Affairs with Atmos Energy Corporation ("Atmos Energy" or "Company"). My business address is 5420 LBJ Freeway, Ste. 1600, Dallas, Texas 75240.

Q. ARE YOU THE SAME GREGORY WALLER THAT FILED PREFILED TESTIMONY IN THIS PROCEEDING?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to rebut Adjustment OAG-6-BCO as filed in the testimony of Attorney General's Office of Rate Intervention (OAG) witness Mr. Bion Ostrander.

Q. DO YOU AGREE WITH MR. OSTRANDER'S TWO PART ADJUSTMENT AS SUMMARIZED ON PAGE 46 OF HIS TESTIMONY?

A. No.

Q. WHAT IS THE RATIONALE FOR PART 1 OF MR. OSTRANDER'S ADJUSTMENT?

A. Mr. Ostrander makes an adjustment for cost savings estimated by the Company related to the implementation of its new Customer Service System (CSS). His logic in calculating the adjustment includes extrapolating the amount of savings originally estimated by the Company to account for the fact that the system cost more than originally estimated. He makes the incorrect assumption (stated in his response to Staff's data request 1-8) that the capital investment over and above the initial project estimate should generate a higher level of operational efficiencies.

Q. WHY DO YOU DISAGREE WITH PART 1 OF HIS ADJUSTMENT?

A. The primary drivers of the increase in capital investment over and above the original estimate were 1) the decision to change the implementation approach from a 2-stage go-live to single go-live approach, and 2) increased internal resources, above those originally estimated, for testing prior to go-live. The Company chose to alter the go-live implementation approach and invest more in testing the system prior to go-live to help ensure that the implementation of its new system was successful and seamless to its customers. The increase in capital investment over initial estimates was not done to increase the scope of the system or add functionality to it. Only additional features or functionality could have potentially altered the Company's estimate of operational efficiencies achievable through the implementation. Furthermore, citing the incorrect number from the Company's business case (filed confidentially as Attachment 1 to data request OAG 1-097), he uses the incorrect starting point for the initial estimate of the

system's cost. The initial estimate of the investment was $64 million rather than the $47 million the he uses as the basis for the adjustment.

Q. WHAT IS THE RATIONALE FOR PART 2 OF MR. OSTRANDER'S ADJUSTMENT?

A. Mr. Ostrander makes an adjustment to remove rate base and depreciation expense associated with the difference in capital investment between the original estimate of the CSS project and the final actual investment. He states on page 46 lines 15-18 that "Atmos must have anticipated certain quantitative and qualitative benefits related to the implementation under the single stage approach (versus the 2-stage approach), and these benefits should be shared with ratepayers".

Q. IS THERE ANY BASIS FOR AN ADJUSTMENT THAT REQUIRES THE COMPANY TO REDUCE RATE BASE AND CORRESPONDING DEPRECIATION EXPENSE WHEN A PRUDENT INVESTMENT COSTS MORE THAN ORIGINALLY ESTIMATED?

A. No. As stated hereinabove, the primary drivers of the increase in capital investment over and above the original estimate were related to the go-live approach and level of testing and were made to help ensure that the implementation of the new system was successful and seamless to customers. These investments increased rather than detracted from the prudency of the overall investment. To not make the additional investments necessary to ensure a successful implementation once it was evident that the additional investments were needed would have, in fact, been an imprudent decision by the Company.

Q. IS IT APPROPRIATE THAT THE RATES OF UTILITY CUSTOMERS ACCOUNT FOR THE REVENUE REQUIREMENT ASSOCIATED WITH ALL PRUDENTLY MADE INVESTMENTS?

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, Gregory K. Waller, being duly sworn, deposes and states that the prepared testimony attached hereto and made a part hereof, constitutes the prepared 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.

Gregory K. Waller

STATE OF Texas

COUNTY OF Dallas

SUBSCRIBED AND SWORN to before me by Gregory K. Waller on this the 18th day of November, 2013.

PAMELA L. PERRY
My Commission Expires
October 29, 2016

Pamela L. Perry
Notary Public

My Commission Expires: 10-29-16

MCDONALD, P.

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	)	

REBUTTAL TESTIMONY OF PACE MCDONALD

I. INTRODUCTION

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

A. My name is Pace McDonald. I am Vice President of Taxes for the Atmos Energy Corporation and Subsidiaries ("Atmos Energy" or the "Company"). My business address is 5430 LBJ Freeway, Suite 600, Dallas, Texas 75240.

Q. WHAT ARE YOUR JOB RESPONSIBILITIES?

A. I am responsible for oversight and management of all income, property and sales tax matters for the Company. This oversight includes ensuring that the tax accounts recorded on the books and records accurately reflect the Company's tax filings and positions. I oversee a group of 23 tax professionals and clerical staff which undertake tax planning to minimize taxes, prepare the Company's tax filings, and defend those filings under audit. I am also responsible for the establishment and compliance with the Company's tax policies and controls.

Q. PLEASE OUTLINE YOUR EDUCATIONAL AND PROFESSIONAL QUALIFICATIONS.

A. I received my education at the University of Texas at Austin. In 1993, I concurrently received a Bachelor of Business Administration degree with a major in accounting and a Master of Professional Accounting degree with a specialization in tax. I am a licensed certified public accountant in the State of Texas.

I began working for the public accounting firm of Deloitte & Touche LLP in August 1993. In 1997, I left Deloitte & Touche LLP and joined the public accounting firm of Ernst and Young LLP. At both firms, I provided tax planning and compliance services to a client base of primarily large public companies. My client base was equally divided between large multinational manufacturers and regulated public utilities. One of my key responsibilities included reviewing and consulting with clients regarding the appropriate amount and manner in which to record accumulated deferred income taxes.

In April 2002, I joined Atmos Energy Corporation and assumed the oversight and management of all income, property and sales tax matters for the Company. I also serve as the Company's representative on the American Gas Association's Tax Committee.

Q. HAVE YOU TESTIFIED BEFORE ANY OTHER REGULATORY COMMISSIONS?

A. Yes. I testified before the Railroad Commission of Texas in GUD Nos. 9670, 9762, 9869, 10000 and 10170. I have also testified before the Public Service Commission of Mississippi in Docket No. 92 UN 0230.

Q. WHAT WAS THE SCOPE OF YOUR TESTIMONY IN THOSE PROCEEDING?

A. I provided rebuttal testimony regarding the Company's accumulated deferred income taxes ("ADIT") and the appropriateness of including specific ADIT items within the rate base as filed in those proceedings.

Q. HAVE YOU REVIEWED THE INTERVENOR TESTIMONY FILED IN THIS CASE?

A. Yes, I have.

II. PURPOSE AND SUMMARY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I rebut the arguments raised in the direct testimony of Kentucky Office of the Attorney General witness Bion C. Ostrander regarding his proposed adjustments to accumulated deferred income tax ("ADIT") for tax net operating loss carryforwards ("NOLC"). I will address what gives rise to NOLC ADITs as well as the regulatory treatment of this item.

Q. PLEASE SUMMARIZE YOUR IMPRESSIONS OF MR. OSTRANDER'S TESTIMONY.

A. Mr. Ostrander has incorrectly proposed to eliminate from rate base the NOLC ADIT asset. Mr. Ostrander's direct testimony incorrectly presumed that the Company's sole argument for including the NOLC ADIT asset in rate base was to avoid a normalization violation as defined under the Internal Revenue Code ("IRC"). Upon reading his testimony it is apparent that his sole argument for

removing the NOLC ADIT asset is because he does not believe it will cause a normalization violation as defined in the IRC and related regulations.

I am unable to find a single argument in his testimony as to why it is appropriate under general ratemaking principles to remove the NOLC ADIT asset. His testimony does not describe ADIT assets and liabilities and why they are adjustments to rate base. He fails to establish that rate base will be more accurately reflected by its removal. In fact, he offers no such opinion. He instead spends a considerable amount of testimony opining incorrectly that its removal would not be a normalization violation under the IRC.

It will be my testimony that inclusion of the NOLC ADIT asset is an appropriate adjustment to rate base accepted by numerous commissions and is based first and foremost on sound ratemaking principles. Failure to make the adjustment would result in a rate base and an associated return requested from rate payers that would not be reflective of the economic realities embodied in the Company's tax filings and associated cash flow.

I will also address his assertion that removal of the NOLC ADIT asset would not violate the normalizations provisions of the IRC. My testimony will demonstrate that failure to include the NOLC ADIT asset would in fact result in a normalization violation. Mr. Ostrander's testimony, to the contrary, is incorrect. Further, his suggestion that a private letter ruling from the IRS is the only mechanism to support including the NOLC ADIT asset in rate base is misleading.

Finally, Mr. Ostrander's testimony that a NOLC must be reflected on a tax return to be known and measurable is incorrect and not consistent with his acceptance of other ADIT adjustments.

Q. PLEASE SUMMARIZE YOUR TESTIMONY REGARDING THE PROPER RATEMAKING TREATMENT OF NOLC ADIT ASSETS..

A. In this filing, the Company's requested rate base has been reduced by its net ADIT liability balance. Embedded within the ADIT liability balance is an asset (increase to rate base) for NOLCs.

ADIT liabilities are realized because the Company's tax filings reflect tax deductions in excess of its book deductions, for example accelerated tax depreciation. These excess tax deductions offset the Company's current tax liability which allows the Company to retain cash that would have otherwise been paid to the government. As more fully explained in my testimony, this cash tax savings allowed by the government represents an interest free loan from the government to the Company. The loan is paid back over time as the Company's book deductions exceed its tax deduction. Essentially an ADIT liability represents an obligation to pay this interest free loan back to the government in the future. These loans are therefore appropriately reflected as a reduction to rate base to account for this cost free capital provided to the Company.

In certain situations, the Company's tax deductions can produce a tax net operating loss. A tax net operating loss is realized when the Company' tax deductions exceed its earned income and all tax has been offset. Tax in future periods will be offset by the unused deductions. These unused tax deductions are

reflected on the Company's tax returns and books and records as a carryforward of the net operating loss. These carryforwards (NOLC) are used in future periods to offset tax. In effect, a NOLC represents tax deductions that have not yet been used to offset tax. Since those deductions have not yet been used offset tax, the government has not yet extended an interest-free loan to the Company. It follows that the Company's rate base should not be reduced for cost free capital that it has not yet realized.

It is my testimony that all of the ADIT balances, assets and liabilities, must be included in the calculation of the ADIT rate base reduction. The NOLC ADIT asset must be included otherwise the Company's rate base does not reflect the true quantity of interest free cash made available to the Company by the government.

Q. PLEASE SUMMARIZE YOUR TESTIMONY AS TO WHETHER NORMALIZATION OF NOLC ADIT ASSETS IS REQUIRED BY THE IRC.

A. A violation of the tax depreciation normalization provisions is a serious matter under the IRC and a violation would have devastating financial implications. Mr. Ostrander's arguments are dangerous and misguided. There is no doubt normalization is required of NOLC ADIT assets. Despite Mr. Ostrander's attempts to confuse the issue with suggestions of private letter rulings and citations of two unpersuasive rulings, it is unambiguous and clear the IRC and Treasury Regulations require the normalization of NOLC ADIT assets. Mr. Ostrander's argument that a normalization violation has never been asserted by

the IRS is an argument in the negative and not persuasive. It could also be said that the lack of documented normalization violations is proof in and of its self that Commissions are thoughtful and deliberate in avoiding such a violation by including NOLC ADIT assets in rate base.

Q. PLEASE SUMMARIZE YOUR TESTIMONY AS TO WHETHER A PROJECTED NOLC ADIT ASSET IS KNOWN OR MEASURABLE.

A. Mr. Ostrander proposes to limit the NOLC ADIT asset to that which has been reported on a tax return. A Company routinely estimates and projects its taxable position throughout the year. This is done for estimated tax payments and the recording of financial results. The filing of a tax return is a ministerial act that is often done months after the covered tax period. To require the filing of a tax return before the inclusion of ADIT items in rate base would result in the mismatching of the tax effects from rate base investment and cost of service expenses. Further, Mr. Ostrander suggests limiting only the projected NOLC ADIT asset. He makes no mention or suggestion of limiting the projected ADIT liabilities. It cannot reasonably be argued to limit increases to rate base for NOLC ADIT assets from filed tax returns, yet allow the decreases to rate base for projected ADIT liabilities. The inequity of such a suggestion is startling.

Q. ARE YOU SPONSORING ANY EXHIBITS?

A. Yes, I am sponsoring Exhibit PM-1.

Q. WERE THESE EXHIBITS PREPARED BY YOU OR UNDER YOUR DIRECT SUPERVISION?

A. Yes.

III. RATEMAKING TREATMENT OF ACCUMULATED DEFERRED INCOME TAXES

Q. DOES MR. OSTRANDER DESCRIBE WHAT GIVES RISE TO ACCUMULATED DEFERRED TAXES OR THE IMPORTANCE OF THOSE DEFERRED TAXES IN SETTTING RATE BASE FOR A REGULATED UTILITY?

A. No. Mr. Ostrander's testimony fails to either describe or mention the importance of accumulated deferred taxes.

Q. WHY IS AN UNDERSTANDING OF ACCUMULATED DEFERRED TAXES IMPORTANT IN THIS PROCEEDING?

A. Understanding what accumulated deferred taxes represent is critical in understanding the impact accumulated deferred taxes have on a Company's financing and how that should be accounted for in ratemaking.

Q. PLEASE DESCRIBE WHAT ACCUMULATED DEFERRED INCOME TAXES ARE.

A. Deferred taxes represent the balance of tax that is due or receivable in the future when items of items of income and expense are recognized for tax purposes in a period different than they are recognized for financial reporting purposes. Accumulated deferred taxes simply represent the accumulated tax for all items deferred to future periods. More importantly, for a regulated utility, deferred taxes represent a source of cost-free financing provided by the government.

Q. PLEASE DESCRIBE WHAT GIVES RISE TO ACCUMULATED DEFERRED INCOME TAXES.

A. Deferred taxes arise from the interaction of the IRC, the Company's accounting practices under United States ("US") generally accepted accounting principles ("GAAP"), and the Company's operations. Deferred taxes are created because of differences between the IRC and the Company's accounting under US GAAP. In addition to FERC rules, the Company's records are maintained according to US GAAP accounting principles which provide guiding principles and requirements as to when and how the Company records its financial results. Likewise, the IRC and related regulations provide the rules and requirements the Company follows when completing its tax filings. There are a myriad of differences between US GAAP and the IRC.

Examples include but are not limited to differences in the recognition of income or expense, time period or methods by which assets are depreciated and the capitalization of costs. Many of these differences are temporary in nature, meaning the total amount of income or expense recognized for an item is the same under US GAAP and the IRC, but the time period over which it is recognized is different. For example, an item purchased by the Company for $100 may be capitalized and depreciated over a 30 year period under US GAAP. The IRC may permit that same item to be depreciated over a 15 year period. There is no difference in the depreciation deductions over time in that US GAAP and the IRC permit the Company a $100 depreciation deduction. However, that deduction is realized over different time periods. It is this difference in timing between the US GAAP and the IRC that give rise to deferred taxes. Due to the difference in timing

required by the IRC, the Company has deferred recognition of tax liabilities or benefits to a future period.

Q. WHAT IS THE MOST SIGNIFICANT DRIVER OF UTILITY ACCUMULATED DEFERRED TAXES?

A. Timing differences between book and tax depreciation associated with utility property and plant. Notably, the difference between much slower book depreciation versus the accelerated or bonus tax depreciation allowed under the IRC.

Q. HOW DO DEFERRED TAXES IMPACT A REGULATED UTILITY?

A. A utility earns its allowed rate of return and cost of service from its rate payers. A component earned includes the tax liability the utility will owe on its earnings. From its earning, the utility has cash funds available to pay its tax obligations to the government. However, the federal government by way of accelerated and bonus depreciation rules grant the utility tax depreciation in excess of its book deprecation. These favorable depreciation deductions lower the utility's current tax liability and provide funds to the utility in the current period. However, its future tax liability will be increased and those funds will be remitted to the government in the future. The net effect is that the government has provided an interest-free loan to the utility by virtue of a lower current tax bill due to the accelerated and bonus depreciation provisions. That interest-free loan will be repaid by higher tax bills in the future.

Q. HOW IS THIS LOAN REFLECTED ON A UTILITY'S BOOKS AND RECORDS?

A. Essentially, the balance of the interest-free loan is reflected as the net ADIT credit recorded on the Company's books and records. An ADIT credit is quite simply the amount of interest-free capital that the government loaned to the Company.

Q. HOW IS AN ADIT CREDIT TREATED FOR RATEMAKING PURPOSES?

A. Given that an ADIT credit represents an interest free loan or cost-free capital, rate base should be reduced for the amount of the ADIT credit. This allows rate payers to receive the benefit of the interest-free loan and not pay a rate of return on rate base financed at no cost.

Q. IS THE REDUCTION OF RATE BASE FOR ADIT CREDITS A STANDARD REGULATORY RATEMAKING PRACTICE?

A. Yes. This is the widely accepted treatment of ADIT credits.

IV. NET OPERATING LOSS CARRYFORWARDS

Q. WHAT IS A NET OPERATING LOSS ("NOL")?

A. The Company computes it taxable income in accordance with the IRC. Depending on the income and deductions reported on the Company's tax return, either a positive or negative taxable income is reported on the tax return. A positive taxable income will result in the imposition of tax at the applicable tax rate. A negative taxable income creates an income tax net operating loss ("NOL").

Q. WHAT IS AN INCOME TAX NET OPERATING LOSS CARRYFORWARD?

A. Under §172 of the IRC, a tax NOL may first be carried back to offset taxable income (generally to the two preceding years). Any loss remaining after the carryback is available to carry forward for up to 20 years and reduce taxable income in a future period.

Q. WHAT ARE THE CONSEQUENCES OF CARRYING AN NOL FORWARD?

A. An NOL carryforward is simply deductions that were claimed on a prior tax return but not used to offset the tax liability in the period claimed. An NOL carryforward therefore has the effect of moving those unused deductions forward to a subsequent year to offset the tax liability of the future period.

Q. HAVE ATMOS ENERGY CORPORATION'S REGULATED UTILITY OPERATIONS RESULTED IN TAXABLE LOSSES?

A. Yes. For the past six fiscal years, the taxable income computations for the utility operations have reflected large taxable losses.

Q. HAVE THESE LOSSES RESULTED IN A NOL CARRYFORWARD FOR THE COMPANY?

A. Yes. As of the filing of this case, the Company had a federal and state NOL carryforwards of $340,724,523 and $2,430,678, respectively, from its utility operations.

Q. HAS THE COMPANY PROPOSED TO INCREASE RATE BASE FOR THESE AS NOLC ADIT ASSETS?

A. Yes. The Company has proposed to increase rate base for the proportionate share of these items allocable to Kentucky consistent with the Company's cost allocation manual.

Q. PLEASE EXPLAIN WHAT CAUSED THE TAX LOSSES AND NOL CARRYFORWARD.

A. The Company has realized significant deductions associated with bonus depreciation, accelerated depreciation and the deduction of capital expenditures as repairs for tax purposes.

Bonus depreciation is a stimulus measure passed by Congress that allows taxpayers to immediately expense a portion of costs that would normally be a capital expenditure subject to recovery over an extended period through depreciation deductions. The percentage of capital expenditures deductible for calendar years 2009-2013 has either been 50% or 100%, depending on the time period and type of assets. Effectively, bonus depreciation has allowed the Company to expense immediately either 50% or 100% of most capital investment since 2009.

Accelerated depreciation is another depreciation methodology allowed under the IRC whereby taxpayers are allowed to depreciate assets on a much faster basis than that allowed for financial accounting or regulatory purposes. In the early years of an asset's life, tax depreciation (accelerated depreciation) is typically higher than book depreciation (straight-line). This difference in depreciation methodologies produces more tax depreciation in the early years of an asset's life and less in future years. For that portion of capital investments not

expensed as bonus depreciation, the Company was permitted to claim depreciation deductions under the accelerated depreciation provisions.

The Company is allowed for tax purposes to treat certain types of otherwise capital costs as deductible repairs and maintenance costs. Rather than recording these expenditures as capital additions to plant in service for tax purposes, the Company expenses these expenditures immediately. The amount of costs eligible for immediate expensing as a repair has been substantial in recent years.

Q. DID THESE DEDUCTIONS HAVE AN IMPACT ON THE COMPANY'S ADIT BALANCE?

A. Yes. These accelerated deductions resulted in a deferral of the Company's tax liability. Therefore, an ADIT credit was recorded on the Company's books and records to reflect this future obligation to the government.

Q. WHAT THEN IS THE SIGNIFICANCE OF THE NOL CARRYFORWARD GENERATED BY THESE DEDUCTIONS?

A. To the extent that these deductions gave rise to an NOL carryforward, the deductions are not generating current tax savings. Therefore, in terms of the loan analogy described in my testimony, the government has not yet extended a loan because the underlying deductions have not yet reduced the Company's tax liability.

Q. HOW IS A NOLC REFLECTED IN THE COMPANY'S BOOKS AND RECORDS?

A. A NOLC is recorded as an ADIT asset. This asset represents a future cash flow from the government which will be realized when the Company has sufficient taxable income and a tax liability to reduce. Until that time, the tax deductions which have given rise to the NOL have not produced any tax saving for the Company

Q. HOW DOES THE RECORDING OF THE NOLC ADIT ASSET INTERACT WITH THE ADIT CREDIT RECORDED FOR ACCELERATED DEUCTIONS?

A. This asset effectively reduces the ADIT liability recorded for accelerated deductions to the amount that has been loaned to the Company in the form of current tax savings.

Q. WHAT IS THE SIGNIFICANCE OF THE NOLC FOR RATEMAKING?

A. The Company's ADIT credit balance represents the tax benefit of its favorable tax deductions regardless of whether or not they actually produced cash. A NOLC represents unused tax deductions beyond what is necessary to reduce current year taxable income to zero and taxes that the Company has on deposit with the government. There is no current cost-free capital associated with the NOLC, and thus, from a ratemaking perspective, it is inappropriate to have a reduction of rate base for the unused deferred taxes. Thus, the offset against rate base of accumulated deferred taxes must be limited to the amount of current benefit. The Company's proposed ratemaking treatment of including NOLs in rate base achieves this by accurately reflecting the cash tax savings obtained by the Company when these savings are realized.

Q. IS THERE ANY JUSTIFICATION FOR IGNORING THE IMPACT OF THE NOLC ADIT ASSET?

A. No, there is not. If the effect of the Company's NOLC is ignored, then every dollar of accelerated depreciation and other favorable tax deductions claimed by the Company on its tax returns would reduce its rate base - even though, to the extent the deductions simply produced a NOLC, they would not yet have deferred any tax and, therefore, would not have produced any incremental cash for the Company. If, instead, the Company had claimed fewer such deductions - only enough to eliminate its taxable income but not enough to produce a NOLC - then it would be in the same cash position (that is, the Company still would have paid $0 tax) but the amount by which its rate base is reduced would be diminished. Rate treatment that ignores the impact of the Company's NOLC would disadvantage the Company more so if it claimed favorable tax deductions than if it did not claim them.

Q. DOES MR. OSTRANDER OFFER ANY JUSTIFICATION BASED ON SOUND RATEMAKING PRINCIPLES FOR IGNORING THE IMPACT OF THE NOLC ADIT ASSET?

A. None, whatsoever.

V. NOLC REGULATORY PRECEDENT

Q. HAVE OTHER JURISIDCITIONS CONSIDERED THE NOLC ADIT ISSUE AND AGREED TO REGULATORY TREATMENT CONSISTENT WITH THAT PROPOSED BY THE COMPANY?

A. I am aware of decisions issued by the Federal Regulatory Commission and several state public utility commissions. These commissions include Connecticut, Texas, and Illinois.[1]

Q. PLEASE DESCRIBE THE FERC ORDER.

A. In its Kern River decision, the FERC stated:

> 229. There is a second type of timing [difference] that can have the opposite effect. It is possible that some accounting entries will decrease expenses or increase income for IRS purposes faster than would be the case for accounting purposes. In this case the cash flow from the tax allowance embedded in the regulated entity's rates is less than the income tax payments that are generated by the higher income. When the regulated entity pays for an expense earlier than would be under the Commission's regulatory accounting system, it is in essence committing more funds to the business. The difference is therefore capitalized and added to the rate base. The difference in the timing that results is capitalized and added to the rate base to allow a somewhat higher return on the additional funds that have been committed to the enterprise. As the accounting entries for these expenses are entered (usually allowance for funds used during construction), the difference in timing is reversed, the short term addition to the rate base decreases, and return drops. This timing difference is reflected as an ADIT debit, or regulatory asset, in Account No. 190.
>
> 230. In the instant case the NOL was properly included in Account No. 190. The large depreciation deduction for the "bonus" depreciation was properly reflected as a credit in Account No. 282 and served to reduce rate base to reflect the difference in timing previously described. However, the impact of this deduction was so great that it exceeded the taxable cash that would have been generated under the straight line regulatory method. Thus, Kern River was not able to use the full extent of the deduction in the first year it was available. However, as discussed, the full accelerated depreciation amount is included in the credit ADIT in Account No. 282. Without a corresponding debit in Account No. 190, Kern River's rate base would be reduced even though it did not achieve the tax savings, and

[1] *Kern River Gas Transmission Company,* FERC Docket No. RP04-274-000 (October 19, 2006); *Yankee Gas Services Company,* Conn. Docket No. 1 0-12-02REO 1, 2011 Conn. PUC Lexis 189 (September 28, *2011); Gulf States Utilities Co.,* Docket No. 8702, 17 Tex. P.u.e. Bull., 703 (P.U.e.Texas May 2, *1991); GUD No. 10170,* Statement of Intent Filed by Atmos Energy Corp., to Increase Gas Utility Rates Within the Unincorporated Areas Served by the Atmos Energy Corp., Mid-Tex Division, Final Order (Dec. 4, 2012) Available at http://www.rrc.state.tx.us/meetings/gspfd/10170-FinalOrder; *Commonwealth Edison Co.,* Docket No. 94-0065, 158 PUR4th 458 (Ill. *CC,* January 9, 1995)

additional cash flow, that a credit entry in Account No. 282 is intended to offset. Therefore the NOL is carried forward as a regulatory asset in future years and is reduced as the tax savings actually accrue to Kern River.[2]

Q. PLEASE DESCRIBE THE CONNECTICUT ORDER.

A. The Connecticut commission recognized that NOLC's are properly reflected as an increase to rate base. The Commission stated in its Yankee Gas Services decision:

> In the instant proceeding, the Authority finds that the NOL generated during rate year 1 ending June 30, 2012 (RY1) diminished the cash flow available to Yankee as a result of the tax effect of the timing differences between straight line book depreciation and accelerated tax depreciation deductions.[3]

Q. PLEASE DESCRIBE THE TEXAS ORDERS.

A. Both the Texas PUC and the Railroad Commission have provided clear instructions on the inclusion of NOLC ADIT assets. The PUC ruled the following:

> Deferred accumulated federal income taxes are properly included as a credit to GSU's rate base because deferred federal income taxes represent cost free capital to the Company. However, this cost free capital is appropriately reduced to the extent that GSU has NOL carry forwards, which the utility is currently unable to use. Just as deferred income taxes represent future taxes which the utility has not yet been required to pay, NOLs represent deductions to the utility's tax liability which the Company has not yet realized. To the extent that a utility has unutilized NOL carry forwards, its tax liability will be reduced in the future. Therefore, if the Commission is going to include deferred income taxes as a reduction to rate base, which it should, the Commission should likewise include known reductions to those deferred taxes. Consequently, NOLs should be included as an offset in the calculation of the deferred income tax balance included in rate base.[4]

[2] *Kern River Gas Transmission Company,* FERC Docket No. RP04-274-000 (October 19, 2006)

The Texas Railroad Commission ruled likewise:

> The Examiners find that the company has established that its calculation of the ADIT asset related to NOLs was just and reasonable…The company's approach matches the ADIT liabilities to the ADIT NOL asset created by those deductions.[5]

Q. PLEASE DESCRIBE THE ILLINOIS ORDER.

A. The Illinois Commerce Commission ruled as follows:

> We believe, in this instance, Edison's rate base should include a deferred tax asset offsetting the deduction for deferred taxes, so that deferred tax accounting items will be treated consistently. If we were to make this rate base adjustment, the Company well might forfeit its federal deferred income tax benefits. This would be inequitable.[6]

Q. PLEASE SUMMARIZE THESE DECISIONS.

A. All of these commissions ruled that the NOLC ADIT asset should be included as an adjustment to rate base. Each commission recognized that failure to do would understate rate base and ignore the true ADIT related cash flow realized by the petitioners.

Q. HAS MR. OSTRANDER OFFERED ANY PRECEDENTIAL SUPPORT FOR HIS PROPOSED ADJUSTMENT?

A. He cited two regulatory proceedings in support of his position. The first was a Kentucky case filed by Big Rivers Electric Corporation ("BREC") and the second was a West Virginia case filed by Mountaineer Gas Company ("MGC").[7]

---

[3] *Yankee Gas Services Company,* Conn. Docket No. 1 0-12-02REO 1, 2011 Conn. PUC Lexis 189 (September 28, *2011)*

[4] *Gulf States Utilities Co.,* Docket No. 8702, 17 Tex. P.u.e. Bull., 703 (Tex. PUC May 2, 1991)

[5] *GUD No. 10170,* Statement of Intent Filed by Atmos Energy Corp., to Increase Gas Utility Rates Within the Unincorporated Areas Served by the Atmos Energy Corp., Mid-Tex Division, Final Order (Dec. 4, 2012) Available at http://www.rrc.state.tx.us/meetings/gspfd/10170-FinalOrder

[6] *Commonwealth Edison Co.,* Docket No. 94-0065, 158 PUR4th 458 (Ill. *CC,* January 9, 1995)

[7] *In the Matter of Application of Big Rivers Electric Corporation for a General Adjustment in Rates,*

Q. DOES THE BREC CASE OFFER AN OPINION AS TO WHETHER SOUND RATEMAKING PRINCIPLES WOULD RESULT IN THE EXCLUSION OF A NOLC ADIT ASSET?

A. No. As I will explain, the BREC case is not comparable to this proceeding and BREC in its original filing sought no recovery of tax expense, nor did it adjust rate base for any ADIT assets or liabilities.

Q. WHY IS THE BREC CASE NOT COMPARABLE TO THIS PROCEEDING?

A. BREC is a cooperative and as such its tax obligations are substantially different than the Company's. BREC does not pay tax on earnings from its members (rate payers). Its tax liability is based solely on earnings from non-members.

Q. MR. OSTRANDER OFFERS AS SUPPORT FOR HIS POSITION THAT BREC DID NOT SEEK RECOVERY OF ITS TAX EXPENSE OR ITS ADIT ASSETS AND LIABLITIES. IS THIS RELEVANT?

A. No. As a cooperative BREC has no tax obligations for its earnings from members. It is quite appropriate for it to not seek recovery of any tax expense or ADIT items given that it has no tax liability on earnings realized from members. Quite simply, there is nothing to recover.

However, to draw a parallel between BREC and this proceeding is misguided at best. The Company is taxed in a completely different manner and as such what should or should not be included in rate base is understandably different than BREC.

Q. IS THE MGC DECISION CONSISTENT WITH OTHER COMMISSION ORDERS?

A. No. West Virginia is alone in its position despite historical precedent at numerous other commissions to the contrary.

Q. SHOULD THIS COMMISSION ADOPT THE WEST VIRGINIA POISITION?

A. No. There is substantial precedent supporting the Company's proposed treatment of the NOLC ADIT asset. West Virginia is alone and "on an island" with respect to its ruling on this matter. The matter is likely not settled as MGC and West Virginia may litigate the matter further. It would be ill advised for this commission to adopt a position that is new, untested and contrary to numerous other established rulings.

VI. NORMALIZATION REQUIREMENTS AND NOLCs

Q. WHAT IS MR. OSTRANDER'S PRIMARY OBJECTION TO THE INCLUSION OF NOLC ADIT IN RATE BASE?

A. In his direct testimony, Mr. Ostrander does not articulate a true objection to the inclusion of the NOLC ADIT asset in rate base. He states on Page 48, Line 15 of his direct testimony:

> "This amount should be removed from rate base and will not cause any tax normalization violations."

On page 49, Line 9, he continues:

> "I am most concerned with removing the NOLC created by tax bonus depreciation that is causing an income tax loss."

Despite these comments, he never states within his direct testimony why rate base would be better stated with the removal of the NOLC ADIT asset. Finally, at last, in response to Question 10 by the Kentucky PSC Staff, Mr. Ostrander provides a hint to his thoughts. It reads:

> "Mr. Ostrander believes an adjustment is appropriate to remove the accumulated deferred tax impact of the Net Operating Loss Carry-forward from rate base because its inclusion is not a reasonable reading or interpretation of the tax code/Treasury Regulations."

Q. WHAT ARE YOUR THOUGHTS ON MR. OSTRANDER'S PRIMARY OBJECTION TO THE INCLUSION OF NOLC ADIT IN RATE BASE?

A. Mr. Ostrander fails to argue that the NOLC ADIT asset should be excluded based on ratemaking principles. Instead he is arguing that its inclusion is not mandated by the IRC and it should therefore be excluded. This rationale is strange at best. First, the IRC does not dictate what should or should not be included in rate base. The IRC offers no opinion on what is sound ratemaking policy. The decision to include or not include an item in rate base rests solely with the governing regulatory commission. The IRC controls only how a taxpayer is taxed depending on a myriad of circumstances and events.

Mr. Ostrander's position of not including the NOLC ADIT asset because it's "not a reasonable reading or interpretation" of the IRC seems to rest on his belief that the Company would not be subjected to a normalization violation upon its exclusion. Quite simply, he is absolutely incorrect in his opinion that the

Company would not be subjected to a normalization violation if the Commission were to disallow the inclusion of the NOLC ADIT asset. As I will explain, his interpretation of the IRC and regulations is incorrect, and his suggestion of seeking a private letter ruling is an unnecessary exercise given the certainty of the response the Company would receive. If the Commission were to agree to Mr. Ostrander's proposals, the Company would be subjected to punitive rules which would cause the loss of tax benefits granted to it by Congress.

Q. WHAT IS MEANT BY TAX NORMALIZATION IN THE RATEMAKING CONTEXT?

A. There are a myriad of differences between the rules governing the recognition of income and expense for tax purposes versus the recognition of those same items for financial statement purposes. These differences result in both the acceleration and deferral of income tax payments when compared to the income tax expense recorded on a company's financial statements. However, in the context of a utility, the difference between tax expense per the financial statements and the tax paid to the taxing authorities generally results in a deferral of tax. Said differently, current taxes paid to the government are less than the tax expense on the books and records. To use the previous loan analogy, the government has loaned money to the utility by the enactment of favorable tax provisions.

A normalization method of accounting for taxes in its simplest terms strives to keep this incremental cash received from the interest-free loan at the utility level where Congress intended. Tax expense in its cost of service and rate filings are normalized and not artificially lowered for the cash tax savings. In

return, a reserve is recorded against rate base in the amount of the accumulated tax deferred. Such an approach is mutually beneficial both for rate payers and the utility. Rate payers are not paying a return on rate base financed with the cost-free loan that the utility receives from the government.

Q. WHAT IS FULL NORMALIZATION OF TAXES?

A. Full normalization of taxes refers to treating all tax differences as normalized thereby reducing the requested rate base for all taxes deferred. In other words, full normalization reduces rate base by the loan advanced to the company for all differences between taxes paid versus the tax expense realized in cost of service.

Q. DOES THE COMPANY'S FILING IN THIS PROCEEDING REFLECT A FULL NORMALIZATION APPROACH?

A. Yes. The Company has filed utilizing a fully normalized approach.

Q. WHY IS A FULLY NORMALIZED APPROACH APPROPRIATE?

A. A fully normalized approach takes into account all tax deferrals and treats all of them as a reduction to rate base. It is the simplest approach yet also the most balanced between the interests of the rate payer and the utility. Essentially all interest-free loans the Company has received from all taxing authorities are accounted for. The Company is able to use those loans to build utility property infrastructure with cost-free financing and rate payers do not pay a return on that investment.

Q. DOES THE INTERNAL REVENUE CODE REQUIRE NORMALIZATION?

A. As I will explain, the IRC and related regulations provide consequences to those utilities and commissions that do not normalize certain tax benefits. These consequences are draconian. So draconian in fact that the mere threat of them has the effect of "requiring" utilities and commissions abide by them. Certainly a commission could choose to violate the normalization provisions. However, a utility or commission that knowingly violated the IRC normalization provisions would arguably be negligent in looking out for the best interests of its rate payers.

Q. WHICH TAX BENEFITS ARE REQUIRED TO BE NORMALIZED UNDER THE IRC?

A. The IRC requires that the deferral of tax associated with tax depreciation be normalized.

Q. WHAT ARE THE TAX DEPRECIATION NORMALIZATION RULES?

A. Accelerated depreciation was enacted by Congress as an investment incentive for businesses. In a regulated environment, Congress was concerned that the tax savings from accelerated depreciation would be flowed through to rate payers thereby negating the incentive it sought to create. To discourage utilities and commissions from flowing the incentive through to rate payers, Congress enacted the depreciation normalization rules. The tax depreciation normalization rules mandate the normalization process I previously described for all items associated with tax depreciation. In other words, deferred accounting must be utilized and the balance of deferred taxes must be adjusted out of rate base.

Q. HOW DOES TAX DEPRECIATION NORMALIZATION WORK?

A. As defined under Treas. Reg. §1.167(l)-1(h), in order to use a normalization method of accounting, the public utility must use the "same method" of depreciation to compute both its tax expense and its depreciation expense for purposes of establishing its cost of service for ratemaking purposes and for reflecting operating results in its regulated books of account. Further, if in computing its allowance for tax depreciation for purpose of filing its tax returns, it uses a method other than that used for establishing its cost of service for ratemaking purposes and for reflecting operating results in its regulated books of account, the utility must make adjustments to an accumulated deferred federal income tax reserve to reflect the deferral of taxes resulting from the use of the different methods of depreciation. *(Treas. Reg. §1.167(l)-1(h)(1)(i)(a) and (b)).* The established reserve must be used in ratemaking proceedings to reduce the utility's rate base upon which the rate of return is applied. A taxpayer DOES NOT use a normalization method if, for ratemaking purposes, the amount of the accumulated deferred federal income tax reserve which is excluded from rate base exceeds the amount in the reserve for deferred taxes for the period used in determining the taxpayer's cost of service. *(Treas. Reg. §1.167(l)-1(h)(6)(i))*

Q. WHAT IS THE IMPACT TO A PUBLIC UTILITY IF IT DOES NOT MAINTAIN A NORMALIZED METHOD OF ACCOUNTING?

A. If a public utility believes its method of accounting is not a normalized method or is compelled by a regulatory body to adopt a method which is not normalized, the utility must notify the Service's District Director within 90 days and file amended returns which recompute its tax liability for any affected taxable years.

Prospectively, the utility would lose the ability to claim accelerated tax depreciation on future tax returns.

Q. DO THE TAX DEPRECIATION NORMALIZATION RULES TAKE INTO ACCOUNT A NOLC?

A. They absolutely do. The normalization rules apply to any portion of the NOLC that is attributable to the accelerated tax depreciation.

Q. HOW DO YOU REACH THIS CONCLUSION?

A. Treasury Regulation §1.167(l)-1(h)(1)(iii) addresses the situation specifically. It provides that if by use of accelerated depreciation, the taxpayer generates a NOLC which would have otherwise not arisen, then the amount and time of tax depreciation deferral shall be taken into account for rate base in an appropriate time and manner as is satisfactory to the District Director.

Q. EFFECTIVELY WHAT DOES THIS MEAN?

A. A taxpayer in computing the amount of ADIT credit by which to reduce rate base must take into account a NOLC ADIT asset. A NOLC ADIT asset, to the extent created by depreciation deductions, represents depreciation deductions that have not yet resulted in a tax deferral. To use the loan analogy, if a NOLC has been created by the accelerated tax depreciation, then a loan HAS NOT yet been extended to the company. To reduce a utility's rate base for the full amount of deferred tax generated by the accelerated depreciation and not take into account the generation of a NOLC would essentially impute a loan that has not occurred and more importantly violate the normalization provisions.

Q. IF A TAXPAYER DOES NOT FACTOR ITS NOLC ADIT INTO THE OFFSET TO RATE BASE, WHAT HAPPENS?

A. The taxpayer would be in violation of this provision and would have a "normalization violation" under the IRC. It would be required to notify the IRS of such a violation and it would be prohibited from using accelerated depreciation. It would be required to file amended returns reversing the use of accelerated depreciation. In short it would have an immediate and negative cash flow impact on the taxpayer. It would be catastrophic from a tax standpoint.

Q. HAS THE COMPANY FACTORED THE NOLC ADIT ASSET INTO ITS DEFERRED TAXES APPLIED TO RATE BASE AND COMPLIED WITH TREASURY REGULATION §1.167(l)-1(h)(1)(iii)?

A. Yes.

Q. IF THE COMMISSION FOLLOWED MR. OSTRANDER'S RECCOMMENDATIONS, WOULD THE COMPANY BE IN VIOLATION OF TREASURY REGULATION §1.167(l)-1(h)(1)(iii)?

A. Yes.

Q. WHAT ARE YOUR THOUGHTS ABOUT MR. OSTRANDER'S RECOMENDATION TO SEEK A PRIVATE LETTER RULING?

A. Seeking a Private Letter Ruling ("PLR") from the IRS is a costly and a timely undertaking. It seems a waste of resources and time to seek a ruling on an issue that is so completely clear. There is no requirement in the Treasury Regulations for a commission or company to seek a ruling in order to include an ADIT NOLC asset in rate base.

Q. REGARDLESS, HAS THE IRS PREVIOUSLY RULED ON THIS ISSUE?

A. Yes, the IRS issued PLR 8818040 on February 9, 1988 that addresses NOLCs. A copy of the ruling is attached as Exhibit PM - 1

Q. PLEASE EXPLAIN THE PLR.

A. A utility in 1985 and 1986 incurred substantial accelerated tax depreciation deductions. Not all of those deductions could be used and as a result the utility reported a NOLC on its tax returns. The utility proposed to reflect the deferred tax from tax depreciation in rate base in 1987, which is the year the NOLC would be used. The PLR held this approach would be consistent with the normalization rules. One factor that was also addressed in the PLR was the difference in tax rates between 1987 and the earlier years. The IRS also ruled which rate should be used to calculate the deferred taxes given the change in tax rate. Regardless of the tax rate issue, the fact remains that the IRS ruled a NOLC ADIT asset should be considered when determining the proper amount of ADIT to apply to rate base.

Q. ARE YOU AWARE OF THE RECENT WEST VIRGINIA COMMISION RULING THAT MR. OSTRANDER CITES AS SUPPORT THAT NORMALIZATION VIOLATION WOULD NOT OCCUR IF THE NOLC ADIT ASSET IS REMOVED FROM RATE BASE?

A. Yes, I am.

Q. WHAT ARE YOUR THOUGHTS ON THAT RULING?

A. The West Virginia commission's recent ruling stands alone in its position despite historical precedent at numerous other commissions to the contrary. It was incorrect in determining that a normalization violation will not occur by its

actions. In fact, the commission opined on a subject over which it has no jurisdiction. A commission cannot rule whether a normalization violation has or has not occurred. That determination rests solely with the IRS. A commission can only implement rates. If in setting rates, a commission violates the normalization provisions, the IRS would be the authority to rule as such and apply the consequences of said violation. The West Virginia commission most certainly set rates that are in violation of the normalization provisions and overstepped its bounds in ruling that no violation has occurred.

Q. SHOULD THIS COMMISSION LOOK TO THE WEST VIRGINIA COMMISSION'S RULING FOR GUIDANCE ON THIS ISSUE?

A, No. The West Virginia Commission erred in its finding. I have cited numerous other rulings at a variety of commissions that contradict the lone ruling in West Virginia. This commission should look to those jurisdictions for support on this issue.

VII. KNOWN AND MEASURABLE

Q. DO YOU AGREE WITH MR. OSTRANDER THAT THE NOLC ADIT ASSET IS NOT KNOWN AND MEASURABLE AND SHOULD THEREFORE BE EXCLUDED FROM RATE BASE?

A. No. Mr. Ostrander is not only incorrect but as I will explain he was inconsistent in applying his known and measurable objection.

Q. WHY DOES MR. OSTRANDER ARGUE THAT THE NOLC ADIT ASSET IS NOT KNOWN AND MEASURABLE?

A. His argument is based quite simply on the premise that an NOLC is known and measurable only upon the filing of a tax return.

Q. IS THE COMPANY'S NOLC ADIT ASSET INCLUDED IN THIS FILING KNOWN AND MEASURABLE?

A. Yes.

Q. PLEASE EXPLAIN WHY IT IS KNOWN AND MEASURABLE.

A. This case was filed using actual per-books NOLC ADIT balances as of March 31, 2013 and a forward looking period to November 30, 2014. The events that occurred prior to March 31, 2013 have transpired. The tax impact of those periods is known and measurable. It is standard practice for large companies to continually measure and evaluate its tax position and the consequences of its operations. They must evaluate what tax liability to report on estimated tax filings as well as quarterly financial statements. The mere fact that a tax return has not yet been filed does not mean the Company is unknowledgeable about what will ultimately be reported on the return for a given period. With respect to future periods, companies routinely forecast and estimate tax filings. They do so to anticipate cash needs and financial tax expense. It is no different than the forecasting of other items within the filing.

Q. WHY IS THE FILING OF A TAX RETURN NOT A REASONABLE BASIS FOR DEFINING KNOWN AND MEASURABLE?

A. Filing a tax return is an administrative act. The placing of numbers on a form does not dictate the tax results of a company's operations. To argue so would imply that a company's tax results are or can be influenced by a mere form. That is

simply not the case. A company's tax obligation arises when it operates and conducts business.

In addition, a tax return for a company can be prepared and filed up to 9 months after its year end. If a commission were to look to the tax return as the sole indicator of known and measurable, a delay of up to 19 months could occur between the events included in a filing and the tax consequences being considered known and measurable. Such a result is nonsensical and would result in a substantial mismatch of costs in the ratemaking process.

Q. HAS MR OSTRANDER BEEN CONSISTENT WITH HIS KNOWN AND MEASURABLE ARGUMENT?

A. No.

Q. IN WHAT WAY HAS MR. OSTRANDER BEEN INCONSISTENT?

A. Mr. Ostrander has argued that the ADIT NOLC asset should be excluded from rate base because a tax return has not been filed and it is therefore not known and measurable. However, the Company has numerous ADIT liabilities that are treated as a reduction to rate base for which he has not raised a similar argument. These are items that are also forecasted by the Company much like the NOLC. These items are also reportable on a tax return in the future, much like the NOLC. Despite this, Mr. Ostrander has not proposed any adjustment.

I find it strikingly inconsistent that Mr. Ostrander argues a tax filing is necessary for the NOLC ADIT asset to be known and measurable but is perfectly fine with an ADIT liability that is not yet supported by a filed tax return. He appears to advocate a standard whereby increases to rate base for ADIT assets

must be supported by a tax return while decreases to rate base need not be supported by a filed tax return.

VIII. CONCLUSION

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, Pace McDonald, being duly sworn, deposes and states that the prepared testimony attached hereto and made a part hereof, constitutes the prepared 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.

Pace McDonald

STATE OF Texas

COUNTY OF Dallas

SUBSCRIBED AND SWORN to before me by Pace McDonald on this the 18th day of November, 2013.

PAMELA L. PERRY
My Commission Expires
October 29, 2016

Pamela L. Perry
Notary Public

My Commission Expires: 10-29-16

Private Letter Rulings

Private Letter Ruling 8818040, 2/09/1988, IRC Sec(s). 167

UIL No. 0168.08-02

Headnote:

Reference(s): **Code Sec. 167**;

Private Letter Ruling 8818040

Code Sec. 167 DEPRECIATION -- special situations -- public utility property -- carryover of NOL .

Taxpayer (T) is regulated public electric utility. T is required to use normalization method of accounting as condition to its use of accelerated depreciation methods. T wishes to carryover NOL from 1986 to 1987. RULED: To extent use of ACRS depreciation in 1986 and prior years in determining depreciation expense for tax purposes contributed to NOL carryover from 1986 to 1987, T's use of 1987 tax rate in computing deferred tax expense on its regulated books of account will be consistant with normalization requirements.

Full Text:

Feb. 9, 1988

This is in response to your request for a letter ruling dated November 23, 1987, submitted on your behalf

by your authorized representative. You have asked us to rule whether, to the extent that the use of the Accelerated Cost Recovery System (ACRS) in 1986 and prior years in determining the taxpayer's depreciation expense for Federal income tax purposes contributed to a net operating loss (NOL) carryover from 1985 and 1986 to 1987, the taxpayer's use of the Federal statutory income tax rate in effect in 1987 for purposes of computing the deferred tax expense in its regulated books of account for the year 1987 will be consistent with the normalization requirements under sections 167 and 168 of the Internal Revenue Code and the Income Tax Regulations promulgated thereunder.

The taxpayer is incorporated under the laws of the State of . . . , has its principal executive offices at . . . , and files its returns with the Internal Revenue Service in . . . . The taxpayer files its returns using a calendar year. The Internal Revenue Service (IRS) district office in . . . has examination jurisdiction over the taxpayer's return.

The taxpayer is a regulated public utility transmitting and distributing electric power. It has been represented under penalty of perjury that the Commission has been apprised of the taxpayer's ruling request and has no objection to the issuance of a ruling on the request.

As a public utility, the taxpayer is required to use the normalization method of accounting as a condition to its use of accelerated depreciation methods, including ACRS, for Federal income tax purposes. Accordingly, the taxpayer records deferred tax expense for financial statement and regulatory purposes pursuant to the provisions of sections 167 and 168 of the Code and the regulations thereunder. Hereinafter, the accelerated depreciation that the taxpayer is required to normalize is referred to as ACRS.

The amount of Federal income tax expense that the taxpayer recorded for financial statement purposes for 1986 and prior years was greater than the Federal income taxes actually paid. The additional recorded Federal income taxes (deferred taxes) resulted, in part, from a significant amount of property placed in service in 1985, which increased the depreciation deduction for Federal income tax purposes. However, the taxpayer did not realize the entire tax benefit from the ACRS depreciation claimed in 1985 and 1986 because the depreciation resulted in a NOL carryover to 1987. Therefore, in order to reflect the tax benefit of the NOL carryover to 1987, the taxpayer reduced its deferred Federal income tax expense and liability for 1985 and 1986 for financial reporting purposes. The net effect of this accounting in 1985 and 1986 was to record no deferred taxes applicable to the amount of ACRS depreciation that produced no current tax savings but rather caused or increased taxpayer's NOL carryover to 1987. The taxpayer only recorded deferred taxes applicable to ACRS when and to the extent that the use of ACRS produced an actual tax deferral.

The taxpayer will have taxable income in 1987 in excess of the NOL carryover from 1986. Consequently, the ACRS depreciation that was claimed in 1985 and 1986, but did not then produce a tax benefit, will produce a benefit in 1987 when the NOL is utilized. Accordingly, for 1987 the taxpayer proposes to record the deferred Federal income tax expense resulting from the use of the NOL carryover from 1986 at the rate of 39.95%, the effective income tax rate for 1987. This rate is lower than the 46 percent rate in effect

during 1986 and the prior years when the ACRS depreciation was originally deducted on the taxpayer's Federal income tax return.

 Section 168(f)(2) of the Code generally requires the use of the normalization method of accounting with respect to regulated public utility property in order for the public utility to be allowed to use ACRS depreciation for Federal income tax purposes.

 Section 168(i)(9)(A) of the Code sets forth the normalization accounting requirements. This section provides that the taxpayer must, in computing its tax expense for purposes of establishing its cost of service for rate making purposes and reflecting operating results in its regulated books of account, use a method of depreciation with respect to such property that is the same as, and a depreciation period for such property that is no shorter than, the method and period used to compute its depreciation expense for such purposes. In addition, if the amount allowable as a deduction under this section with respect to such property differs from the amount that would be allowable as a deduction under section 167 (determined without regard to section 167(1)) using the method (including the period, first and last year convention, and salvage value) used to compute regulated tax expense under clause (i), the taxpayer must make adjustments to a reserve to reflect the deferral of taxes resulting from such difference.

Section 1.167(1)-1(h)(1)(i) of the regulations provides that a taxpayer uses a normalization method of regulated accounting if the taxpayer makes adjustments to a reserve to reflect the total amount of the deferral of Federal income tax liability resulting from the use with respect to all of its public utility property of such different methods of depreciation.

Section 1.167(1)-1(h)(1)(iii) of the regulations provides that, except as provided in this subparagraph, the amount of Federal income tax liability deferred as a result of the use of different methods of depreciation under subdivision (i) of this subparagraph is the excess (computed without regard to credits) of the amount the tax liability would have been had a subsection (1) method been used over the amount of the actual tax liability. Such amount shall be taken into account for the taxable year in which such different methods of depreciation are used. If, however, in respect of any taxable year the use of a method of depreciation other than a section (1) method for purposes of determining the taxpayer's reasonable allowance under section 167(a) results in a net operating loss carryover (as determined under section 172) to a year succeeding such taxable year which would not have arisen (or an increase in such carryover which would not have arisen) had the taxpayer determined his reasonable allowance under section 167(a) using a subsection (1) method, then the amount and time of the deferral of tax liability shall be taken into account in such appropriate time and manner as is satisfactory to the district director.

Under the regulations, the amount of deferred taxes is computed using a "with and without" methodology. (That is, deferred taxes equal the excess of taxes due without ACRS over the taxes due with ACRS). Where taxes computed with ACRS produce a NOL carryover, the amount and time of the deferral is left to the discretion of the Internal Revenue Service.

The taxpayer maintains that where the computation utilizing ACRS results in a NOL, the deferral is appropriately made at the time the taxpayer realizes an actual tax benefit from the use of ACRS. The taxpayer will realize the benefit of the NOL attributable to the accelerated depreciation in 1987. Therefore, the taxpayer should record the deferred taxes in 1987. We conclude that this approach is consistent with the normalization requirements under sections 167 and 168 of the Code.

With respect to the amount of the deferral, the Federal statutory income tax rates in effect in 1987 for calendar year taxpayers, pursuant to the Tax Reform Act of 1986, can reasonably be combined to result in an effective rate of 39.95 percent. See section 3 of Rev. Proc. 88-12, 1988-8 I.R.B. . . . . This is lower than the 46 percent rate in effect when the NOL was incurred. Because the deferred taxes are being recorded in 1987, it is appropriate to utilize the effective tax rate for that year. We note that this approach is consistent with generally accepted accounting principles as set forth in APB Opinion No. 11, ACCOUNTING FOR INCOME TAXES. Regarding NOL's, the APB Opinion provides that if loss carryforwards are realized in periods subsequent to the loss period, the amounts eliminated from the deferred tax credit account should be reinstated at the then current tax rates. We conclude that the taxpayer's methodology satisfies the normalization requirements of sections 167 and 168 of the Code.

Accordingly, to the extent that the use of ACRS depreciation in 1986 and prior years in determining depreciation expense for Federal income tax purposes contributed to a NOL carryover from 1986 to 1987, the taxpayer's use of the effective tax rate for 1987 (39.95 percent for calendar year taxpayers) in computing the deferred Federal income tax expense on its regulated books of account for the year 1987 will be consistent with the normalization requirements of sections 167 and 168 of the Code and the regulations thereunder.

This ruling is directed only to the taxpayer who requested it.  Section 6110(j)(3) of the Code provides that it may not be used or cited as precedent.

A copy of this private letter ruling is being sent to your authorized representative in accordance with the power of attorney on file with this office.

A copy of this ruling letter should be filed with the income tax return for the taxable year or years in which the transaction covered by this ruling is consummated.

SMITH, G. L.

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	)	

REBUTTAL 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"). My business address is 5420 LBJ Freeway, Dallas, Texas 75240.

Q. PLEASE BRIEFLY DESCRIBE YOUR CURRENT RESPONSIBILITIES, AND PROFESSIONAL AND EDUCATIONAL BACKGROUND.

A. In March 2008, I assumed my current position. In this role, I am responsible for planning and implementing strategies to assure that the Company's tariffs and services provide a reasonable opportunity to achieve profitability. Previously, I served briefly as Director of Customer Revenue Management in Dallas. Prior to that, through May 2007, I served as Vice President-Marketing and Regulatory Affairs for the Company's Kentucky/Mid-States operations, where I was responsible for rates and regulatory affairs, as well as for directing the marketing plans and strategies for natural gas utility markets in that division.

I am a 1983 graduate of the University of Kentucky, with a Bachelor of Science degree in Civil Engineering. I have worked for Atmos Energy or its predecessor, Western Kentucky Gas Company, since 1984.

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

A. No.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION ("COMMMISSION")?

A. Yes, I have served as witness in a number of Cases, including the Kentucky division's most recent comprehensive rate cases (Case No. 2009-00354 and Case No. 2006-00464), in which I served as witness responsible for revenues and rate design. Other Kentucky cases included an application for approval of a third party gas supply agreement (Case No. 2006-00194), an extension of the Company's performance based ratemaking tariff (Case No. 2005-00321), an extension of the Company's WNA mechanism (Case No. 2005-00268), an extension of a demand-side management program (Case No. 2005-00515), annual hedging plans (Case Nos. 2006-00177, 2005-00175 and 2004-00142), and an extension of the margin loss recovery mechanism (Case No. 2003-00305).

In 1999, I also served as the witness responsible for revenues and rate design in a comprehensive rate case (Case No. 1999-070). In 1997, I participated as a witness in a hearing on the matter of "Petitions of Western Kentucky Gas Company for Approval and Confidential Treatment of a Special Contract Submitted to the Kentucky Public Service Commission", Case Numbers 1996-096, 1996-113, 1996-185, 1996-278, 1996-295 and 1996-424.

Q. HAVE YOU TESTIFIED IN JURISDICTIONS OUTSIDE OF KENTUCKY?

A. Yes, I have testified in dockets involving Atmos Energy before the Georgia Public Service Commission, the Kansas Corporation Commission, the Missouri Public Service Commission, the Tennessee Regulatory Authority and the Railroad Commission of Texas.

Q. HAVE YOU REVIEWED THE TESTIMONY OF THE INTERVENING PARTIES?

A. Yes I have reviewed the testimony of the Attorney General's Office of Rate Intervention (OAG).

II. PURPOSE AND SUMMARY OF REBUTTAL TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. My rebuttal testimony is directed to the issue of the special contracts among Atmos Energy and several of its industrial customers. The OAG has raised several issues about the origination of the contracts, the need for them, the Commission's review and acceptance of the contracts and the impact of the contracts on the Company's revenue allocation in this Case.

Q. PLEASE DESCRIBE WHY THESE SPECIAL CONTRACTS EXIST.

A. Beginning in the mid-1980's, the Federal Energy Regulatory Commission ("FERC") began to direct interstate pipelines to transform from their traditional bundled merchant sales role toward unbundled transport common carriers. A consequence of these FERC Orders created an opportunity for large industrial

customers to bypass their local utility and receive service directly from the interstate pipeline.

The Company, then known as Western Kentucky Gas, began to receive threats from certain customers that they were strongly considering construction of facilities to bypass our transportation service. As the Company worked with these few initial customer inquiries, we found that their avoidance of our tariff transportation rates could fund the complete bypass facilities with a payback of well less than one year. By the end of the decade, the Company had entered into its first special contracts with negotiated rates under which the customers agreed not to bypass the Company's service for a minimum term of five years. Since these rates varied from the Company's published tariff, Commission approval was required before the special contracts could become effective.

The threat of bypass in certain instances remains today, and the Company now has 17 special contracts in effect.

Q. WHAT WAS YOUR ROLE WITH THE COMPANY DURING THE MID- TO LATE 1990'S?

A. From 1991 to 1997, I directed the industrial marketing efforts for Kentucky operations and, thereafter I served in the role of Vice President of Marketing.

Q. DESCRIBE HOW THE COMPANY DETERMINES THE PRICING IN THE SPECIAL CONTRACTS.

A. In all of these negotiations, the Company strives to maximize the revenue that can reasonably be derived under each contract. Through discussions with the customer and with internal analysis of their unique circumstances, we could

assess the economic viability of their threat. It was important to understand the economic viability of bypass in each instance, but that did not alter our desire to maximize the revenue we could achieve in exchange for their commitment to continue to exclusively utilize our services.

Q. DESPITE THE EFFORTS TO RETAIN THESE COMPETITIVELY SITUATED CUSTOMERS, HAS THERE BEEN ANY INSTANCES OF BYPASS OF THE COMPANY'S SYSTEM?

A. Yes. I am aware of at least two instances where we were unable to dissuade customers from constructing facilities to bypass our system. Additionally, I am aware of one prospective customer that was constructing a new facility near our system that chose to construct bypass facilities prior to initiating their new operation.

Q. HAS THE COMPANY BEEN ABLE TO ATTRACT ANY OF THOSE BYPASS CUSTOMERS BACK TO ITS TRANSPORTATION SERVICE?

A. No. Once bypass facilities are installed, it is very difficult to compete to restore the Company's transportation services to those former customers.

Q. PLEASE DESCRIBE THE PROCESS EMPLOYED TO GAIN COMMISSION ACCEPTANCE OF THE SPECIAL CONTRACTS.

A. As stated previously the special contracts become effective only with the review and acceptance by the Commission.

Each special contract was filed with the Commission, along with supporting information to enable the review and determination that the special contract was reasonable. Due to the highly sensitive competitive information

contained in the contract, the Company filed a Petition for Confidentiality in each instance with the confidential information redacted in the public copy. Typically, there was no case number or filing number associated with the contracts and confirmation of Commission acceptance was in the form of a stamped acceptance and often an accompanying letter from the Tariff Branch of the Commission.

Q. PLEASE DESCRIBE THE CONCERNS EXPRESSED BY THE OAG WITH RESPECT TO THESE SPECIAL CONTRACTS.

A. As stated previously, the OAG has raised several issues about the origination of the contracts, the need for them, the Commission's review and acceptance of the contracts and the impact of the contracts on the company's revenue allocation in this Case. The Company acknowledges that it had difficulty locating certain information sought by the OAG during discovery related to these old filings. The confidential nature of the contracts increased the challenge of linking these contracts to records publicly available at the Commission.

Despite our discovery responses, which provided a description of the processes employed in the Commission review of each contract, and despite our new production of maps and information on each customer, OAG witness Mr. Glen Watkins stated on Page 36 of his testimony that he could ". . . find no indication that these discounted rates were either contested, questioned, or fully evaluated".

The Company provided the OAG with copies of each special contract. Unfortunately, we were not able to locate the copies of those contracts that had the Commission's acceptance stamp until recently. However, after continued

efforts to locate the stamped contracts, we now have submitted the officially accepted contract copies. Those stamped accepted contracts together with associated information filed with the Commission have now been provided to all of the parties as a supplemental response to OAG 1-212. I believe these copies clearly show that the contracts were reviewed by the Commission.

Q. PLEASE DESCRIBE THE ADDITIONAL INFORMATION FOUND REGARDING STAMPED SPECIAL CONTRACTS.

A. As a result of earlier special contract filings, the Commission had directed the Company to file a cost analysis showing that the proposed rate covers the variable costs of serving the customer and makes a contribution to the Company's fixed costs under the proposed special rates. The "Analysis of Contribution to Fixed Cost" associated with these Commission filings has also been included in the supplemental response to OAG 1-212.

All of this information has now been provided to the OAG in a comprehensive package that address the concerns raised about the filing of, review of and legitimacy of the contracts.

Q. IS THERE ANY OTHER COMMISSION REVIEW OF SPECIAL CONTRACTS BEYOND THEIR INDIVIDUAL REVIEW AND ACCEPTANCE AT THE TIME EACH CONTRACT IS INITIATED?

A. Yes. The existence of Special Contracts and their aggregate contribution to revenues is transparent in each comprehensive rate case.

Q. HAVE REVENUES ASSOCIATED WITH SPECIAL CONTRACTS BEEN REVIEWED IN THE COMPANY'S RATE CASES?

A. Yes, with particular emphasis in Case 95-010 and Case 99-070. In each of those cases, the Company was in negotiation with several customers, attempting to extend their commitment to continue receiving their service from the Company and not bypass our system for a stated term. At the time each case was filed, the Company provided an estimate for the "Additional Contract Reformation" that we expected as new contracts were executed during the conduct of the rate case.

In Case No. 95-010, the Commission, in its review of the special contracts, discussed the specific revenue impact in an order dated June 13, 1995 where it stated:

> In its Summary of Revenue at Present Rates (Schedule 2, pare 1 of 2) at Tab 25 in the application, Western included an adjustment to reduce revenues by $700,000 for "Additional Contract Reformation". On page 2 of that schedule Western provided an analysis of test year revenues from special contracts which includes sales and transportation volumes and the contract rates in effect.

In a series of cases involving the confidentiality of those special contracts, the Commission explained the reason for the requirement to file the special contracts:

> Special contracts are reviewed by the Commission to ensure that they are not subsidized by the general customers. In each of these cases (of review of the special contracts) each customer has an interstate pipeline in close proximity to its premises, and, therefore easy access to competing sources of natural gas. The special contracts were used to retain the customers' load on the WKG system. Case Nos. 96-096; 96-113; 96-185; 96-278; 96-295; and 96-424, Order dated July 17, 1997.

In another series of special contract filings, the Commission again was asked to declare the contracts confidential. It did so in Case Nos. 96-096; 96-113; 96-185; 96-278; 96-295; 96-424; 98-373; and 99-032, Order dated February 2, 2001.

Q. HAS THE COMMISSION CONTINUED TO REVIEW THE CONTRACTS IN OTHER GENERAL RATE CASES?

A. Yes, in Case 99-070, the Commission Staff questioned the status of the special contracts and their rate impact in a data request. For example see the Order of August 19, 1999. The information supplied to the Commission in that case, which details the volumes, rates, revenues and margins for each of the contracts, was provided in a Supplemental Response to Attorney General filed on September 20, 2013.

Q. HAVE THERE BEEN OTHER INSTANCES OF COMMISSION REVIEW OF THE SPECIAL CONTRACTS?

A. Yes. In Case No. 2003-00305, Atmos Energy, filed a request for a Margin Loss Recovery Mechanism. As part the review of that application, the Commission investigated the effect of the special contracts on Atmos Energy's revenues. The Commission stated in its Order in that docket:

> The MLR pertains to potential revenue losses that Atmos might incur from the 20 large industrial customers it serves via special contracts that include various rate discounts. The reasons for these contracts are the customers' proximity to interstate pipelines, the potential for customers to bypass Atmos and be served directly by a pipeline, and the potential loss of such loads to competing alternative fuels....[B]ecause of the location of Atmos' customers relative to interstate pipelines in far western Kentucky, as well as the number and size of these customers, Atmos has a somewhat greater bypass risk than other gas distribution utilities in Kentucky. Order dated December 17, 2003.

Q. HAS ATMOS PROVIDED INFORMATION ABOUT THE SPECIAL CONTRACTS IN SUBSEQUENT CASES?

A. Yes, in both Case 2006-00464 and Case 2009-00354, the revenue impact of the special contracts was included in Smith Pre-filed Testimony Exhibit 6.

Q. DID ATMOS PROPOSE TO CHANGE THE RATES TO ANY OF THESE SPECIAL CONTRACT CUSTOMERS IN THIS CASE?

A. No. The Company cannot unilaterally effectuate a rate change to these customers. Such a change would require renegotiation with each customer, which could result in either a higher or lower rate needed to dissuade their motivation to bypass the Company's service, or perhaps prompt customer bypass if unable to resolve a conflict.

Q. BEGINNING ON PAGE 39 OF HIS TESTIMONY, MR. WATKINS RAISES CONCERN THAT THE SPECIAL CONTRACTS HAVE NOT BEEN RENEGOTIATED IN RECENT YEARS. IS THAT UNUSUAL OR SURPRISING?

A. No, for several reasons.

Two key characteristics that led to these special contracts remain unchanged: the location of the industry and the location of the interstate pipeline alternative. The general level of consumption for each customer has not varied greatly since their current contract was initiated. Although costs the customer would incur to construct pipeline facilities may have risen, it must be remembered that the Company sought to maximize the revenue that can reasonably be derived under each contract. Rates to these customers were negotiated; they were not the product of mathematical equivalence to the bypass economics. If one were to attempt to compute a mathematical bypass equivalent rate, a key assumption

would be the period over which the initial installation cost would be "amortized". The transportation charges these customers have paid to Atmos Energy during their committed minimum terms, and subsequent year-to-year rollovers, would have been more than adequate to build their bypass facilities. There is great risk that customers would seek a further reduction to their current rate or threaten to terminate their contract and bypass our system if we sought to renegotiate special contract rates.

As is clear in the analyses submitted to the Commission seeking initial approval of these contracts, retention of these customers under their Commission-accepted current terms contributes toward our fixed costs of service.

Q. MR. WATKINS ALSO ARGUES THAT THE GENERAL RATEPAYERS ARE IN EFFECT SUBSIDIZING THESE CUSTOMERS. DO YOU AGREE?

A. No. What Mr. Watkins refers to as "discounted rates" are not revenue losses to Atmos Energy, but are instead a source of revenue that it would not otherwise have, absent the special contracts. The revenue from the contracts reduce the total company revenue requirement to be borne by tariff customers and keeps residential rates lower than they would be if these industrial customers were lost to bypass.

Q. PLEASE DISCUSS MR. WATKINS' SUGGESTION TO IMPUTE 50% OF THE "$6.1 MILLION DISCOUNT" FROM THE SPECIAL CONTRACTS TO SPECIAL CONTRACT REVENUES.

A. I don't agree with Mr. Watkins viewpoint that these are "discounted" contracts. These are in essence tariffs accepted by the Commission unique to each of these customers. Comparing these special contract tariff rates which are necessary to retain service to these large industries to published tariff rates and characterizing the difference as a "shortfall" is misleading. Company witness Mr. Paul Raab further discusses the impact to the tariff customers if the special contact customers were to no longer make a contribution to the fixed cost of the overall utility system.

The Company believes it is very beneficial to retain nearly $1.4 million in annual margin contribution from these competitively-situated customers. That is $1.4 million per year of the Company's revenue requirement that is not borne by existing tariff customers. To suggest that the Company's shareholders be penalized by more than $3 million per year for this result is puzzling at the least. The Kentucky OAG and the Commission have seen the topic of special contracts discussed and highlighted in prior Company cases, as I have reviewed earlier in testimony, and never has any Settlement with the OAG nor Final Order by the Commission imputed any penalty to the Company and its shareholders for these special contracts.

VI. CONCLUSION

Q. DOES THIS CONCLUDE YOUR REBUTTAL 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 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

STATE OF Texas

COUNTY OF Dallas

SUBSCRIBED AND SWORN to before me by Gary L. Smith on this the 15th day of November, 2013.

PAMELA L. PERRY
My Commission Expires
October 29, 2016

Pamela L. Perry
Notary Public

My Commission Expires: 10-29-16

RAAB, P. H.

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	)	

REBUTTAL TESTIMONY OF PAUL H. RAAB

Q. PLEASE STATE YOUR NAME.

A. My name is Paul H. Raab.

Q. ARE YOU THE SAME PAUL H. RAAB WHO HAS PREVIOUSLY FILED DIRECT TESTIMONY IN THIS DOCKET?

A. Yes.

I. PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to rebut portions of the direct testimony of Attorney General Witness Glenn A. Watkins. Primarily, I will address Mr. Watkins' criticisms of the Company's class cost of service study, which I sponsor in my direct testimony. I will also address Mr. Watkins' opposition to the Company's customer charges in its proposed rate design and the Company's treatment of special contract revenues, although I will not be the only Company witness addressing these latter issues.

Furthermore, as indicated by Mr. Watkins in his direct testimony on page 21, lines 20-22, I have provided a revised and corrected class cost of service analysis in response to Staff Data Request No. 3-19 and AG Data Request 2-90. So that the record is complete and reflects these latest changes, I include the Company's final class cost of service analysis as Exhibit PHR-3 of my rebuttal testimony.

II. IDENTIFICATION OF EXHIBITS

Q. DO YOU SPONSOR ANY EXHIBITS IN SUPPORT OF YOUR TESTIMONY?

A. Yes, I sponsor five exhibits. As discussed above, Exhibit PHR-3 is the Company's final class cost of service analysis, containing corrections to the Company's original study that was filed with my direct testimony as Exhibit PHR-2. Exhibit PHR-4 contains five pages summarizing the Company's final class cost of service analysis, rerun to reflect an alternative treatment of special contract revenues that is consistent with changes to the Company's approach that have been suggested by Mr. Watkins. Exhibit PHR-5 contains five pages summarizing the Company's final class cost of service analysis, rerun to reflect changes to the Company's zero-intercept calculations that have been suggested by Mr. Watkins. Exhibit PHR-6 contains Mr. Watkins' response to the Company's Data Request No. 72 to the Attorney General. Finally, Exhibit PHR-7 contains five pages summarizing the Company's class cost of service study, but rerun to exclude special contract revenues.

The above-designated exhibits were prepared by me or under my direction and supervision.

III. ORGANIZATION OF TESTIMONY

Q. HOW IS YOUR TESTIMONY ORGANIZED?

A. My testimony is organized into three additional sections. Section IV provides my rebuttal to Mr. Watkins' testimony related to the Company's class cost of service analysis. Section V provides my rebuttal to Mr. Watkins' testimony related to the Company's treatment of special contract revenues. Finally, Section VI provides my rebuttal to Mr. Watkins' testimony related to the Company's proposed customer charges.

IV. CLASS COST OF SERVICE

Q. PLEASE SUMMARIZE THE DIRECT TESTIMONY OF ATTORNEY GENERAL WITNESS GLENN A. WATKINS AS IT RELATES TO THE COMPANY'S FILED CLASS COST OF SERVICE ANALYSIS IN THIS CASE.

A. Mr. Watkins disagrees with certain aspects of the Company's class cost of service for four primary reasons:

1. The class definitions employed in the Company's class cost of service analysis are not entirely appropriate for costing purposes. Direct Testimony of Glenn A. Watkins, page 19, line 22 – page 21, line 4.

2. Mr. Watkins has "minor disagreements" with specific allocators that are

used in the Company class cost of service analysis. Direct Testimony of Glenn A. Watkins, page 21, line 18 – page 22, line 23.

3. Mr. Watkins disagrees with the treatment and allocation of Atmos general corporate overhead and affiliate charges to Atmos of Kentucky. Direct Testimony of Glenn A. Watkins, page 23, line 1 – page 26, line 7.

4. Mr. Watkins disagrees with the customer and demand-related classification of mains investments that is used in the Company class cost of service analysis. Direct Testimony of Glenn A. Watkins, page 26, line 8 – page 31, line 18.

Q. BEFORE ADDRESSING EACH OF THESE ISSUES, COULD YOU PLEASE PROVIDE SOME CONTEXT FOR YOUR EVALUATION OF THESE CRITICISMS?

A. As Bonbright has written:

> No writer whose views on public utility rates command respect purports to find a single yardstick by sole reference to which rates may be judged reasonable or socially desirable as distinguished from rates that are unreasonable or adverse to the public interest. Principles of Public Utility Rates at 109.

This suggests that there is no "absolute" cost of service analysis that can be relied on by the Commission in all cases to guide the allocation of costs, and that whatever cost allocation methodologies are chosen should be used as a "guide" rather than as an absolute prescription for rate design. Mr. Watkins' statement on page 5, lines 4-6 of his direct testimony that, "regulators should consider the fact that cost allocation results are not surgically precise and that alternative, yet equally defensible, approaches may produce significantly different

results" would indicate that he is in agreement with me on this point.

Consistent with the flexibility of this "cost of service standard," Mr. Watkins has filed a competing cost allocation methodology as an alternative to the Company's filing in this case. The primary difference between Mr. Watkins' study and the Company study is that Mr. Watkins places more reliance on peak demands and volumes to classify and allocate costs than the Company study, which places more reliance on the number of customers to classify and allocate costs. Specifically, excluding the cost of gas which is not recovered through base rates, the Company's approach indicates that 87% of the total cost of service is related to the number of customers on the system, 11% is related to the demands those customers place on the system and only 2% is related to the amount of natural gas that those customers consume. In contrast, Mr. Watkins' study classifies costs, excluding gas costs, as 49% customer-related, 28% demand-related and 23% commodity-related.

While I may not necessarily agree with Mr. Watkins' classifications and allocations, I would admit that there is support for his approach in previously filed cost of service studies in other jurisdictions. Both approaches utilize traditional and accepted classification and allocation methods and yet produce widely divergent results of the "cost of service."[a]

Q. HOW THEN SHOULD THE COMMISSION DECIDE WHAT WEIGHT TO PLACE ON THESE COMPETING RESULTS TO GUIDE THEIR

[a] One is reminded of Bonbright's observation that, "One of the reasons for the popularity of a cost-of-service standard of ratemaking no doubt lies in the flexibility of the standard itself." Principles of Public Utility Rates at 109.

DECISIONS ON REVENUE ALLOCATION AND RATE DESIGN?

A. I believe that the following guidelines are appropriate in this case:

1. If the competing studies provide different indications for cost allocation and rate design, then the Commission must examine the differences in the underlying assumptions that led to those results to determine which set of assumptions appears more reasonable in the Commission's judgment. The results indicated by the more reasonable set of assumptions should be the results that guide the Commission's final policy decisions with respect to cost allocation and rate design in this case.

2. If the competing studies provide the same indications for cost allocation and rate design then, if the Commission chooses to follow the policy prescriptions of those studies, it can be confident that the decisions that it makes with respect to these two issues are broadly supported by a range of assumptions and perspectives.

I believe that Mr. Watkins and I are also in agreement on this issue:

> In this regard, when all cost allocation approaches consistently show that certain classes are over or under contributing to costs and/or profits, there is a strong rationale for assigning smaller or greater percentage rate increases to these classes. On the other hand, if one set of cost allocation approaches show dramatically different results than another approach, caution should be exercised in assigning disproportionately larger or smaller percentage increases to the classes in question. Direct Testimony of Glenn A. Watkins, page 5, line 6 – 12.

Q. ARE THERE OTHER ISSUES FOR THE COMMISSION TO CONSIDER AS IT DETERMINES WHICH SET OF RESULTS SHOULD GUIDE ITS COST ALLOCATION AND RATE DESIGN DETERMINATIONS IN THIS DOCKET?

A. If one is an advocate for a particular constituency, then it is fairly simple to choose that set of allocators that favors that constituency and argue that that set of allocators is the one that is the most fair and reasonable. The Company's and the Commission's decision about the most fair and reasonable set of allocators, however, must take a broader view of these concepts and is more difficult. For

example, Mr. Watkins' Table 1 on page 7 of his direct testimony is particularly instructive in this regard. It shows that changing the classification and allocation factor from one that is more customer-related to one that is more volume-related can increase the allocations of costs to Industrial/Transport customers by over 500 times. Similarly, if a volumetric allocator is used, the amount of costs allocated to residential customers will be only one-quarter of the amount that would be allocated to those customers using an allocator that is based on the number of customers. Because class cost of service studies fully distribute all of the identified costs, "gains" to one class in the form of lower cost allocations are necessarily off-set by "losses" to the remaining classes in the form of higher cost allocations.

Thus, the results of Mr. Watkins testimony should come as no surprise to any outside observer. When faced with a choice of allocators, Mr. Watkins chooses those allocators that will benefit the residential class. I believe that the Company results represent a greater balancing of the interests of all customer classes than Mr. Watkins' results and that his results can only represent an extreme bound of reasonableness for the issues of cost allocation and rate design in this case.

Q. TURNING TO MR. WATKINS' SPECIFIC CRITICISMS, DO YOU AGREE WITH MR. WATKINS THAT THE CLASS DEFINITIONS EMPLOYED IN THE COMPANY'S CLASS COST OF SERVICE ANALYSIS ARE NOT ENTIRELY APPROPRIATE FOR COSTING PURPOSES?

A. No. There is no requirement that there be a one-to-one correspondence of cost of service classes and rate classes. Rather, cost of service classes need only represent "similar" customers, while rates can be designed for customer types within these classes to reflect quality of service differences, such as the difference between firm and interruptible customers, and the differences between tariffed and market-based rates.

Q. BUT ISN'T IT THE CASE THAT "THE REVENUES ASSOCIATED WITH THESE DISCOUNTED RATE CUSTOMERS DISTORT THE REVENUES (AND COSTS) ASSOCIATED WITH THE ENTIRE CLASS," AS MR. WATKINS STATES AT PAGE 20, LINES 16-18 OF THIS DIRECT TESTIMONY?

A. No. The revenues associated with this cost of service class accurately reflect their revenues. The costs allocated to this class are independent of the revenues. Therefore, there is no distortion.

While Mr. Watkins is correct that the inclusion of special contracts customers in this class will reduce the calculated class return, this is only a problem if the Company were to impose a revenue increase on the tariffed customers in that class at a level needed to generate a system average rate of return for the class. However, as can be seen on line 56 of page 1 of Exhibit PHR-3, this is clearly not the case.

I would also agree that a more appropriate treatment of special contract customers in the class cost of service analysis is to completely eliminate their billing determinants and to spread their revenues to other customers on the

system. I did not adopt this approach in this case because the Company did not employ such an approach in at least its previous base rate case and because such an approach is important when rates are being designed to move class rates of return to the system average rate of return. In this case, with class returns so far away from parity, it makes little or no difference to the Company's proposed revenue increase allocation or its proposed rate design whether the filed treatment of Exhibit PHR-3 or the more appropriate treatment discussed above is applied.

To demonstrate this, I have revised the Company's class cost of service analysis to reflect this more appropriate treatment and the results are provided with my rebuttal testimony as Exhibit PHR-4. Comparing Exhibit PHR-3 and Exhibit PHR-4, it is clear that the Company's proposed revenue increase allocation is appropriate when evaluated under either approach in the sense that it moves all classes closer to parity (the system average rate of return) measured by either approach.

Q. HOW DO YOU RESPOND TO THE MINOR DISAGREEMENTS THAT MR. WATKINS HAS WITH SPECIFIC ALLOCATORS THAT ARE USED IN THE COMPANY CLASS COST OF SERVICE ANALYSIS?

A. These disagreements fall into the category of the competing studies providing the same indications for cost allocation and rate design. Specifically, Mr. Watkins' comparison of class rate of return results shown on Table 2, page 22 of his direct testimony demonstrates that implementation of these recommendations results in only minor changes in the results. Accordingly, it would appear to me that the Commission can simply ignore these criticisms as it makes its final cost allocation

and rate design determinations in this case.

Q. WHAT ARE MR. WATKINS' DISAGREEMENTS WITH THE TREATMENT AND ALLOCATION OF ATMOS GENERAL CORPORATE OVERHEAD AND AFFILIATE CHARGES TO ATMOS OF KENTUCKY?

A. While Mr. Watkins notes that "there is no absolutely correct way to assign these affiliate and corporate overhead costs," he nonetheless argues that my allocation of Atmos general corporate overhead and affiliate charges to Atmos of Kentucky is not "fair and reasonable." Direct Testimony of Glenn A. Watkins, page 25, lines 1-3.

Q. HOW DO YOU ALLOCATE ATMOS GENERAL CORPORATE OVERHEAD AND AFFILIATE CHARGES TO ATMOS OF KENTUCKY?

A. Consistent with Atmos' treatment of these expenses in its other jurisdictions, I use a "composite" allocator that is these sum of the allocators for a number of operations and maintenance accounts: accounts 870-902, distribution O&M expenses and customer accounts supervision and meter reading expenses; accounts 905-916, miscellaneous customer accounts expenses, customer service and information expenses and sales expenses; account 924, property insurance; account 928, regulatory commission expenses; and account 930.1, general advertising expenses.

Q. AND WHY DO YOU USE THIS PARTICULAR ALLOCATOR?

A. As I indicated above, this allocator is used in other jurisdictions in which Atmos serves to allocate these costs and, for a number of affiliates, is mandated by the

regulators of those affiliates. Thus, the first reason that I rely on this allocator is consistency. Second, the allocator makes logical sense. While the exact nature of the costs that are included in this account are not known with certainty, they are the same types of general expenses that are explicitly identified in other administrative and general expenses. As such, it is only logical that they be allocated in the same way as those costs, which can be confirmed by a review of pages 49, 51 and 53 of my Exhibit PHR-3.

This rationale is similar to the one that Mr. Watkins relies on when he supports my use of Atmos of Kentucky specific allocators to assign allocated plant:

> This affiliate investment reflects the assignment of a portion of Atmos corporate, and divisional plant investment such as office buildings, furniture, computers, and general equipment to the Kentucky jurisdiction. An allocation of these costs to specific customer classes based on detailed Kentucky Direct plant investment is reasonable. Direct Testimony of Glenn A. Watkins, page 24, lines 10-14.

Q. IF YOU HAVE TREATED THESE EXPENSES LOGICALLY AND CONSISTENTLY, THEN WHY DOES MR. WATKINS OBJECT?

A. I can only conclude that he doesn't like the resulting allocation. Because I rely on a composite allocator for these administrative expenses and because that allocator includes allocation factors that are more predominantly based on the number of customers than Mr. Watkins would like, I allocate more costs to residential customers than Mr. Watkins would like.

Q. WHAT IS HIS SOLUTION TO THIS PROBLEM?

A. Mr. Watkins argues that these expenses should be allocated to customers on the

basis of Kentucky direct plant investment.

Q. DO YOU AGREE WITH THIS SOLUTION?

A. No. It is clearly a results-driven solution that is not internally consistent with other elements of his class cost of service study.

Q. NOTWITHSTANDING THE DISCUSSION ABOVE, DOES THE SELECTION OF MR. WATKINS' CHOICE FOR AN ALLOCATION FACTOR CHANGE THE FUNDAMENTAL CLASS COST OF SERVICE RESULTS IN A SIGNIFICANT WAY?

A. No. A review of Mr. Watkins' comparison of class rate of return results shown on Table 3, page 26 of his direct testimony demonstrates that implementation of this recommendation (on top of his recommendations regarding the minor differences noted above) results in only minor changes in the results. Accordingly, I would again conclude that these disagreements fall into the category of the competing studies providing the same indications for cost allocation and rate design and it would appear to me that the Commission can simply ignore these criticisms as it makes its final cost allocation and rate design determinations in this case.

Q. PLEASE DISCUSS MR. WATKINS' DISAGREEMENT WITH THE CUSTOMER AND DEMAND-RELATED CLASSIFICATION OF MAINS INVESTMENTS THAT IS USED IN THE COMPANY CLASS COST OF SERVICE ANALYSIS.

A. Mr. Watkins' disagreement with the customer and demand-related classification of mains investments that is used in the Company study is related to two specific

aspects of the study. First, Mr. Watkins disagrees with the underlying philosophy of my approach, which is to split the cost of distribution mains investments into customer-related and demand-related components, preferring instead to split distribution mains costs into demand-related and commodity-related components. Second, Mr. Watkins disagrees with the specific analysis that I rely on to develop the customer/demand split.

Q. ON WHAT BASIS DOES MR. WATKINS DISAGREE WITH THE UNDERLYING PHILOSOPHY OF YOUR APPROACH?

A. Mr. Watkins prefers a so-called "Peak and Average" approach to assign natural gas distribution mains costs to the various customer classes. His rationale for this preference is that the Peak and Average approach is the most fair and equitable method to assign natural gas distribution mains costs to the various customer classes because: (1) the approach recognizes each class's utilization of the Company's facilities throughout the year and (2) the approach recognizes that some classes rely upon the Company's facilities (mains) more than others during peak periods.

Of course, the Company's approach also recognizes that "some classes rely upon the Company's facilities (mains) more than others during peak periods" because it also allocates a portion of distribution mains investment costs on the basis of customer class peak demands. Therefore, the only remaining reason that Mr. Watkins' favors his peak and average approach over the Company customer/demand approach is that his approach recognizes each class's utilization of the Company's facilities throughout the year. By making this simple but

convenient assumption, Mr. Watkins can shift large amounts of costs from the customers that he represents to other Atmos customers.

Q. SHOULDN'T ANY ALLOCATION APPROACH FOR DISTRIBUTION MAINS INVESTMENTS RECOGNIZE EACH CLASS'S UTILIZATION OF THE COMPANY'S FACILITIES THROUGHOUT THE YEAR?

A. While that sounds conceptually appealing, the simple fact is that "each class's utilization of the Company's facilities throughout the year" has no bearing on the cost being allocated. Atmos, like all LDCs with which I am familiar, uses a network model to plan its system. Network models consider only the number of customers to be served and their peak demands. Nowhere in the analysis of how to plan and dispatch the system do annual customer energy requirements enter into the calculus. Thus, while the use of volumes may provide the result that Mr. Watkins finds appealing, it has ***nothing*** to do with the cost of distribution mains and is therefore neither fairer nor more equitable than an approach that allocates these costs using those factors that cause those costs to be incurred in the first place.

Q. BUT DOESN'T MR. WATKINS CLAIM THAT ATMOS' MAINS EXTENSION POLICY CONSIDERS THE ANNUAL USAGE OF THE MAIN EXTENSION IN DETERMINING CUSTOMER CONTRIBUTION REQUIREMENTS?

A. Yes, but the annual usage requirements are only relevant to the extent that they determine the revenues that can be expected from customers served by the extension so that an implied return can be developed and a required contribution

calculated. For Mr. Watkins to suggest otherwise is to be deliberately misleading.

Q. IS THERE OTHER REGULATORY SUPPORT FOR THE COMPANY'S CUSTOMER/DEMAND ALLOCATION OF DISTRIBUTION MAINS?

A. Yes. The NARUC Manual on Gas Rate Design, August 6, 1981, shows the following functional breakdowns of a natural gas LDC's major expenses:

TABLE III
TYPICAL FUNCTIONAL BREAKDOWN – GAS SYSTEM

Production plant & purchased gas cost	D,E
Storage plant	D
Transmission plant:	
Mains	D
Compressor stations	D
Distribution Plant:	
Mains	D,C
Measuring & Regulating Stations	D,C
Services	C
Meters & Regulators	C
General plant	D,C
Customers' accounting & collecting expenses	C
Sales promotion expenses	D,C
Administrative & general expenses	D,C
(C = Customer Costs) (D = Demand Costs) (E = Energy Costs)	

Source: NARUC Manual on Gas Rate Design, August 6, 1981, page 28.

As can be seen from this exhibit, the only commodity-related costs that are identified in the NARUC Manual are those related to the acquisition of natural gas, consistent with my study results.

Q. IS THERE ANY ACADEMIC SUPPORT FOR THE COMPANY'S CUSTOMER/DEMAND ALLOCATION OF DISTRIBUTION MAINS?

A. Yes. In a 2006 study by Fenrick, Getachew and Lowry, the authors attempted to determine the most important driver for gas distribution costs over time. They conclude:

> These results suggest that gas distribution cost is, in the long run, much more sensitive to growth in the number of customers than to growth in throughput. Fenrick, Steve, Lullit Getachew, and Mark N. Lowry. "Regulation of Gas Distributors with Declining Use Per Customer." 2006. Dialogue: United States Association for Energy Economics, 14 (2): 17-21.

These results are consistent with my general experience in performing long-run marginal cost studies for natural gas LDCs and consistent with my knowledge of the natural gas LDC planning process as discussed above. It follows logically from this and from Mr. Watkins' Table 1, referenced above, that a volumetric allocation of distribution mains is allocating far more costs to non-residential customers than is appropriate.

Q. PLEASE SUMMARIZE YOUR RESPONSE TO MR. WATKINS' DISAGREEMENT WITH THE UNDERLYING PHILOSOPHY OF YOUR CUSTOMER/DEMAND APPROACH TO ALLOCATING DISTRIBUTION MAINS.

A. I have reviewed Mr. Watkins' direct testimony on this issue and I conclude that:

1. His stated reason for rejecting the company approach (fairness) is not supported by the underlying driver of these costs, the system expansion planning process.
2. The underlying theory of Company's approach is supported by NARUC, presumably an objective observer to the process.
3. The Company's reliance on customers rather than volumes as a driver of

distribution mains costs is supported by academic research.

Q. TURNING NOW TO MR. WATKINS' DISAGREEMENT WITH YOUR SPECIFIC ANALYSIS TO DEVELOP THE CUSTOMER/DEMAND SPLIT, ON WHAT BASIS DOES MR. WATKINS DISAGREE WITH YOUR APPROACH?

A. Mr. Watkins discusses my approach on page 28 of his direct testimony. There, he discusses three disagreements with my approach:

1. The overall data set used to make the calculation is not reasonable.
2. The cost per foot of plastic pipe 1 inch or less is significantly more than larger plastic pipe with diameters of 2-inches and 3-inches.
3. The statistical linear regression analysis used to make the split is conducted on a small number of observations.

Q. WHY DOES MR. WATKINS' BELIEVE THAT THE DATA SET USED TO MAKE THE CALCULATION IS NOT REASONABLE?

A. Mr. Watkins correctly notes that I assumed a pipe size of ½ inch for all pipe 1-inch or less in diameter. He argues that he has never seen ½ inch distribution mains and that the use of this assumption "has a material impact on Mr. Raab's results."

Q. WHY DID YOU ASSUME A SIZE OF ½ INCHES?

A. I did so because the specified units of my underlying database are distribution mains of indeterminate size less than 1 inch in diameter, i.e., between 0 inches and 1 inch in diameter. Because this size is an important determinate of the load carrying capability of the distribution mains being analyzed, I simply used an

average of 0 inches and 1 inch (1/2 inch) to derive the dependent variable for my zero-intercept regression.

Q. DOES YOUR ASSUMPTION HAVE A MATERIAL IMPACT ON YOUR RESULTS?

A. No, it has virtually no impact on my results. To demonstrate this, I have rerun my zero intercept analysis using 1 inch as the size of these distribution mains. The following table summarizes the difference between the two sets of assumptions:

Type of Main	Revised		Filed	
	Customer-Related	Demand-Related	Customer-Related	Demand-Related
Steel	78.05%	21.95%	78.29%	21.71%
PE	95.54%	4.46%	97.65%	2.35%
Total	84.61%	15.39%	85.56%	14.44%

As the table clearly shows, the zero-intercept study that was filed with the Company's direct case derived an 85.56%/14.44% customer-related/demand-related split in distribution mains. Making Mr. Watkins' suggested change and rerunning the zero-intercept study results in an 84.61%/15.39% customer-related/demand-related split in distribution mains, hardly "material." Even more importantly, however, I have rerun the Company's class cost of service analysis and the fundamental indications from that study do not change. I have included the summary sheets from this revised study as Exhibit PHR-5. As can be seen on page 1, lines 35 and 36 of that exhibit, the residential class is still not providing sufficient revenues to cover its cost of service. Furthermore, the Company's proposed distribution of its requested rate increase, shown on line 55 of page 1 of Exhibit PHR-5, is still demonstrated to move all classes closer to the system average rate of return, shown on page 1, line 57 of that exhibit. Finally, the

estimated customer costs, shown on page 2, line 33 of Exhibit PHR-5 are $29.16/residential customer/month, well above the $16.00/residential customer/month level proposed by Company Witness Martin in his rate design.

As with many of the other issues above, this issue is one that the Commission need not even consider as it makes its final determination in this case because either the Company's original assumption or Mr. Watkins' preferred assumption result in similar indications with respect to the distribution of the Company's requested rate increase and the Company's proposed rate designs.

Q. HOW DO YOU RESPOND TO MR. WATKINS' CLAIM THAT THE COST PER FOOT OF PLASTIC PIPE 1 INCH OR LESS IS SIGNIFICANTLY MORE THAN LARGER PLASTIC PIPE WITH DIAMETERS OF 2-INCHES AND 3-INCHES.

A. He is correct. The data are not monotonically increasing either in steel or plastic. However, the data come from the audited financial books and records of the Company. They come from many vintages and represent periods of faster and slower growth and different periods of inflation. They may make up an imperfect data base, but they are what we have to work with. Furthermore, to use another set of data for this exercise would be arbitrary and inappropriate.

Q. DO YOU BELIEVE THAT THE SMALL NUMBER OF OBSERVATIONS USED TO ESTIMATE THE REGRESSION EQUATIONS USED TO MAKE THE SPLIT COMPROMISES YOUR ANALYSIS?

A. Let me first acknowledge that, as an econometrician, more observations are always preferred to less. However, in this case I am not as concerned as I might

otherwise be for three reasons. First, this is the totality of the data. Distribution mains come in a finite range of sizes, up to 12 inches in diameter for steel pipe and up to 6 inches in diameter for polyethylene pipe. Thus, there will necessarily be a limited number of data points in any data set used in this analysis. Furthermore, the database is actually quite comprehensive in that 93% of the dollars of distribution mains are actually categorized by size. This suggests that even if one were to devote more time to "cleaning up" the database, it is not likely to have a significant impact on the results.

Second, the number of data points used in the analysis is consistent with the number of data points that are shown in examples of the zero-intercept method. For example, the NARUC Gas Rate Design manual, referenced above, shows an example of this method in which five data points are used. This confirms my first point that distribution mains come in a finite number of sizes and that the use of this finite number of data points is common practice within the industry.

Finally, the finite number of data points would be more of a concern to me if I were trying to fully explain how the costs of distribution mains are determined. The purpose of this regression exercise is not to do that, but rather to isolate the impact on the cost of one feature of distribution mains (pipe diameter). This means that I am most interested in the t-statistic of the coefficients, which indicates how likely the independent variable (pipe size) has an impact on the dependent variable (pipe cost). The t-statistic is adjusted for the small sample size.

Q. PLEASE SUMMARIZE YOUR RESPONSE TO MR. WATKINS' CRITICISMS OF YOUR SPECIFIC ANALYSIS TO DEVELOP THE CUSTOMER/DEMAND SPLIT.

A. Certainly.

1. My use of a ½ inch pipe size is mathematically accurate for the data set being used and has no impact on the Company's final proposed revenue allocation or rate design in this case.

2. The data used in this analysis come from the audited financial books and records of the Company. To use another set of data would be arbitrary and inappropriate.

3. The data set, while limited in its observations, is appropriate. It incorporates all of the relevant data that exists. The number of data points used in the analysis is consistent with the number of data points that are shown in examples of the zero-intercept method, and allows one to isolate the impact of pipe diameter on the cost of distribution mains.

V. RATEMAKING TREATMENT OF DISCOUNTED RATES

Q. PLEASE SUMMARIZE THE DIRECT TESTIMONY OF ATTORNEY GENERAL GLENN A. WATKINS AS IT RELATES TO THE COMPANY'S RATEMAKING TREATMENT OF DISCOUNTED RATES.

A. Mr. Watkins discusses the Company's discounted rates in Section III of his testimony. This discussion raises issues related to the attributes of the customers to whom Atmos has offered discounted rates, the circumstances under which

discounted rates are appropriate generally, the length of time over which discounted rate contracts have been in place and the appropriate ratemaking treatment of these contracts. While other Company witnesses fully respond to these arguments, I will address Mr. Watkins' recommendation that 50% of the discount to special contract customers be included in (imputed to) the revenues associates with these customers.

Q. DO YOU AGREE THAT THIS IS AN APPROPRIATE WAY TO REFLECT THESE CUSTOMERS IN THE CLASS COST OF SERVICE STUDY?

A. No. These customers have been granted a discount to tariffed prices because they are potential by-pass customers. That is, if these customers do not receive the discount provided by the Company, they can easily purchase their natural gas from an alternative source and rates for all other firm customers will need to increase to cover 100% of the costs to serve them. Accordingly, if the Commission adopts Mr. Watkins' recommendation on this issue, the correct way to reflect these customers in the class cost of service study is to: (1) leave the total revenue requirement unchanged; (2) eliminate the revenue credits that result from these customers remaining on the system; and (3) leave the loads of these non-standard contract customers out of the load requirements of the other I&T customers.

Q. WHY IS IT APPROPRIATE THAT REMAINING FIRM CUSTOMERS ON THE SYSTEM BEAR THE FULL RESPONSIBILITY FOR THE REVENUE SHORTFALL FROM THESE CUSTOMERS RATHER THAN

50% AS RECOMMENDED BY MR. WATKINS?

A. It is appropriate because the remaining firm customers receive 100% of the benefits of these customers being on the system, so long as these customers make some fixed cost contribution.

Q. DO THESE CUSTOMERS MAKE SOME FIXED COST CONTRIBUTION?

A. Yes. This is apparent by comparing the rates that these customers pay to the variable cost from the class cost of service analysis. The variable costs (commodity costs less natural gas costs) from the Company's class cost of service analysis of $.05/Mcf can be compared to the average revenues of approximately $.10/Mcf from Company Witness Martin's Exhibit MAM-7 to confirm that, on average, Atmos' special contracts customers are making some contribution to fixed costs and are therefore providing a benefit to the rest of the customers on the system.

It would appear that Mr. Watkins is in agreement with this conclusion, as he has indicated in response to the Company's Data Request No. 72 to the Attorney General, where he acknowledges that "Atmos' variable cost per unit (MCF) is very small." I have included a copy of this response as Exhibit PHR-6 to my testimony.

Q. HAVE YOU RERUN YOUR CLASS COST OF SERVICE STUDY TO REFLECT THE IMPACT OF MR. WATKINS' RECOMMENDATION AS OUTLINED ABOVE?

A. Yes, I have. A summary of the results of the revised study is provided with my

rebuttal testimony in Exhibit PHR-7. When these results are compared to the results of Exhibit PHR-4, it can be seen that the bulk of the impact of Mr. Watkins' recommendation will be felt by residential customers, who will be required to bear approximately $1,000,000 of additional cost increase as a result of the loss of the special contract customers. Accordingly, I do not recommend that the Commission adopt Mr. Watkins' recommendation on the treatment of non-standard contract customers in the class cost of service study.

VI. RESIDENTIAL RATE DESIGN

Q. PLEASE SUMMARIZE THE DIRECT TESTIMONY OF ATTORNEY GENERAL GLENN A. WATKINS AS IT RELATES TO THE COMPANY'S PROPOSED RESIDENTIAL RATE DESIGN.

A. Company Witness Mark A. Martin recommends an increase to the current residential fixed monthly customer charge of $1.72, from $14.28/customer/month to $16.00/customer/month. Mr. Watkins disagrees and recommends no increase to the current residential fixed monthly customer charge.

Q. DO YOU AGREE WITH THIS RECOMMENDATION?

A. No. Mr. Watkins' recommendation is not consistent with his own class cost of service analysis. Specifically, the implied fixed monthly customer charge that can be determined from Mr. Watkins' class cost of service analysis is $15.22/customer/month. This suggests that an increase of at least $.94/customer/month is recommended based on Mr. Watkins' own analysis. Otherwise, one must conclude that the proposed residential fixed monthly

customer charges proposed by Mr. Watkins bear no relationship whatsoever to his class cost of service analysis, or any other class cost of service analysis filed in this case.

Q. DOES THAT COMPLETE YOUR REBUTTAL TESTIMONY AT THIS TIME?

A. Yes, it does.

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, Paul H. Raab, being duly sworn, deposes and states that the prepared testimony attached hereto and made a part hereof, constitutes the prepared 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.

Paul H. Raab

STATE OF Maryland

COUNTY OF Montgomery

SUBSCRIBED AND SWORN to before me by Paul H. Raab on this the 6th day of November, 2013.

SHARAD LAMICHHANE
NOTARY PUBLIC
MONTGOMERY CO., MARYLAND
Commission Expires FEBRUARY 27, 2017

Notary Public

My Commission Expires: 2/27/2017

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

SUMMARY OF RESULTS

			Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
			$				
8	Operating Revenues		155,374,969	93,601,821	45,258,302	3,258,958	13,255,887
10	Operating Expenses:						
12	Operating & Maintenance		116,962,934	76,810,842	35,025,091	3,031,608	2,095,393
13	Depreciation & Amortization		16,518,181	12,321,105	2,971,705	186,120	1,039,251
14	Taxes Other Than Income		4,662,683	3,259,237	901,463	62,217	439,766
16	Total Operating Expenses		138,143,797	92,391,184	38,898,259	3,279,945	3,574,410
18	Income Before Taxes		17,231,172	1,210,638	6,360,043	(20,987)	9,681,477
20	Interest Expense		7,536,846	5,462,731	1,294,890	79,822	699,402
22	Income Taxes:						
24	State Income Taxes	6.00%	581,660	(255,126)	303,909	(6,049)	538,924
25	Federal Income Taxes	35.00%	3,189,433	(1,398,939)	1,666,435	(33,166)	2,955,103
26	Total Deferred Income Taxes		0	0	0	0	0
27	Amortization of ITC		0	0	0	0	0
29	Total Income Taxes		3,771,093	(1,654,064)	1,970,345	(39,214)	3,494,027
31	Net Income		13,460,079	2,864,702	4,389,699	16,228	6,187,450
33	Total Rate Base		252,914,292	183,313,135	43,452,699	2,678,580	23,469,679
35	Rate of Return		5.3220%	1.5627%	10.1022%	0.6805%	26.3634%
36	Relative Rate of Return		1.00	0.29	1.90	0.13	4.95
38	Equalized ROR:						
40	Net Income Increase		8,113,510	12,771,908	(663,184)	210,255	(4,185,469)
41	Uncollectibles/PSC Fees	0.6622%	88,520	139,344	(7,454)	2,294	(45,664)
42	Income Taxes		5,165,557	8,131,379	(434,957)	133,861	(2,664,726)
43	Gross Revenue After Increase		168,742,556	114,644,453	44,132,708	3,605,368	6,360,027
44	Revenue Increase		13,367,588	21,042,631	(1,125,594)	346,410	(6,895,860)
45	Rate of Return		8.5300%	8.5300%	8.5300%	8.5300%	8.5300%
46	Relative Rate of Return		1.00	1.00	1.00	1.00	1.00
47	Percent Increase		8.5465%	22.3321%	-2.4706%	10.5591%	-51.6766%
49	Proposed Rate Levels:						
51	Net Income Increase		8,113,176	5,076,925	2,168,253	98,646	769,351
52	Uncollectibles/PSC Fees		88,517	55,390	23,656	1,076	8,394
53	Income Taxes		5,165,344	3,232,281	1,380,443	62,804	489,816
54	Gross Revenue After Increase		168,742,008	101,966,418	48,830,654	3,421,485	14,523,448
55	Revenue Increase		13,367,037	8,364,597	3,572,352	162,527	1,267,561
56	Rate of Return		8.5299%	4.3323%	15.0922%	4.3633%	29.6414%
57	Relative Rate of Return		1.00	0.51	1.77	0.51	3.48
58	Percent Increase		8.5461%	8.8772%	7.8410%	4.9541%	9.4989%

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

SUMMARY OF CUSTOMER COSTS

			Total Company $	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
1	Rate Base		204,228,603	164,035,249	34,267,235	1,854,800	4,071,319
2							
3	Return @ Realized ROR		10,869,030	3,165,284	3,501,000	(1,681)	4,204,427
4	O&M Expenses		24,115,231	20,220,787	3,477,745	269,405	147,295
5	Depreciation Expense		14,636,238	11,527,614	2,613,522	153,774	341,327
6	Taxes, Other		3,037,261	2,462,632	482,982	25,262	66,404
7							
8	Interest Expense		6,086,012	4,888,250	1,021,164	55,273	121,325
9							
10	Income Taxes:						
11							
12	State Income Taxes	6.00%	469,691	(169,195)	243,519	(5,593)	400,959
13	Federal Income Taxes	35.00%	2,575,471	(927,751)	1,335,297	(30,668)	2,198,593
14	Deferred Income Taxes		0	0	0	0	0
15	Amortization of ITC		0	0	0	0	0
16							
17	Total Income Taxes		3,045,162	(1,096,946)	1,578,816	(36,261)	2,599,553
18							
19	Total Customer-Related Costs @ Realized ROR		55,702,942	36,279,371	11,654,065	410,500	7,359,006
20	Total Demand-Related Costs @ Realized ROR		6,935,662	1,509,204	1,773,479	93,764	3,559,215
21	Total Fixed Costs		62,638,604	37,788,575	13,427,545	504,263	10,918,221
22							
23	Total Customers		2,078,493	1,846,837	226,666	2,396	2,594
24	Customer Costs ($/customer/month)		$ 30.14	$ 20.46	$ 59.24	$ 210.46	$ 4,209.03
25							
26							
27	Incremental Return @ Equalized ROR		6,551,669	10,826,923	(578,005)	159,896	(3,857,144)
28	Uncollectibles/PSC Fees		71,480	118,124	(6,306)	1,744	(42,082)
29	Incremental Income Taxes		4,171,194	6,893,082	(367,994)	101,799	(2,455,694)
30							
31	Total Customer-Related Costs @ Equalized ROR		66,497,286	54,117,500	10,701,760	673,939	1,004,086
32	Customers		2,078,493	1,846,837	226,666	2,396	2,594
33	Dollars/Customer/Month		$ 31.99	$ 29.30	$ 47.21	$ 281.28	$ 387.08
34							
35							
36	Incremental Return @ Proposed Rates		6,551,399	5,988,044	1,215,047	89,713	(741,404)
37	Uncollectibles/PSC Fees		71,477	65,331	13,256	979	(8,089)
38	Incremental Income Taxes		4,171,022	3,812,355	773,573	57,117	(472,023)
39							
40	Total Customer-Related Costs @ Proposed Rates		66,496,841	46,145,101	13,655,942	558,308	6,137,491
41	Customers		2,078,493	1,846,837	226,666	2,396	2,594
42	Dollars/Customer/Month		$ 31.99	$ 24.99	$ 60.25	$ 233.02	$ 2,366.03

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

SUMMARY OF DEMAND COSTS

			Total Company $	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
1	Rate Base		32,705,224	13,994,123	6,289,869	566,222	11,855,010
2							
3	Return @ Realized ROR		1,740,569	(146,360)	603,350	14,057	1,269,522
4	O&M Expenses		2,369,892	1,014,045	455,778	41,030	859,040
5	Depreciation Expense		1,779,300	761,338	342,195	30,805	644,962
6	Taxes, Other		558,248	238,867	107,362	9,665	202,354
7							
8	Interest Expense		974,616	417,025	187,438	16,873	353,279
9							
10	Income Taxes:						
11							
12	State Income Taxes	6.00%	75,216	(55,324)	40,842	(277)	89,975
13	Federal Income Taxes	35.00%	412,437	(303,361)	223,952	(1,516)	493,362
14	Deferred Income Taxes		0	0	0	0	0
15	Amortization of ITC		0	0	0	0	0
16							
17	Total Income Taxes		487,653	(358,685)	264,795	(1,793)	583,336
18							
19	Total Demand-Related Costs @ Realized ROR		6,935,662	1,509,204	1,773,479	93,764	3,559,215
20							
21							
22	Incremental Return @ Equalized ROR		1,049,186	1,340,059	(66,824)	34,241	(258,290)
23	Uncollectibles/PSC Fees		11,447	14,620	(729)	374	(2,818)
23	Incremental Income Taxes		667,976	853,163	(42,544)	21,800	(164,443)
24							
25	Total Demand-Related Costs @ Equalized ROR		8,664,271	3,717,047	1,663,382	150,179	3,133,663
26							
27							
28	Incremental Return @ Proposed Rates		1,049,143	(476,971)	606,510	7,887	911,717
29	Uncollectibles/PSC Fees		11,446	(5,204)	6,617	86	9,947
29	Incremental Income Taxes		667,949	(303,669)	386,142	5,021	580,455
30							
31	Total Demand-Related Costs @ Proposed Rates		8,664,200	723,361	2,772,748	106,757	5,061,333

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

SUMMARY OF COMMODITY COSTS

			Total Company $	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
1	Rate Base		15,980,465	5,283,763	2,895,595	257,558	7,543,550
2							
3	Return @ Realized ROR		850,479	(154,222)	285,349	5,852	713,500
4	O&M Expenses		90,477,810	55,576,011	31,091,568	2,721,173	1,089,058
5	Depreciation Expense		102,643	32,152	15,989	1,541	52,962
6	Taxes, Other		1,067,154	557,738	311,118	27,290	171,009
7							
8	Interest Expense		476,218	157,456	86,289	7,675	224,798
9							
10	Income Taxes:						
11							
12	State Income Taxes	6.00%	36,752	(30,607)	19,548	(179)	47,990
13	Federal Income Taxes	35.00%	201,525	(167,826)	107,186	(982)	263,148
14	Deferred Income Taxes		0	0	0	0	0
15	Amortization of ITC		0	0	0	0	0
16							
17	Total Income Taxes		238,278	(198,433)	126,734	(1,161)	311,138
18							
19	Total Commodity-Related Costs		92,736,365	55,813,246	31,830,757	2,754,695	2,337,666
20	Total Throughput		42,314,959	9,637,652	5,380,137	471,075	26,826,095
21	Commodity Costs ($/Mcf)		$ 2.19157	$ 5.79117	$ 5.91635	$ 5.84768	$ 0.08714
22							
23							
24	Incremental Return @ Equalized ROR		512,655	604,927	(38,354)	16,118	(70,036)
25	Uncollectibles/PSC Fees		5,593	6,600	(418)	176	(764)
25	Incremental Income Taxes		326,387	385,133	(24,419)	10,262	(44,589)
26							
27	Total Commodity-Related Costs @ Equalized ROR		93,581,000	56,809,906	31,767,566	2,781,251	2,222,278
28	Total Throughput		42,314,959	9,637,652	5,380,137	471,075	26,826,095
29	Commodity Costs ($/Mcf)		$ 2.21	$ 5.89	$ 5.90	$ 5.90	$ 0.08
30							
31							
32	Incremental Return @ Proposed Rates		512,633	(434,148)	346,696	1,047	599,038
33	Uncollectibles/PSC Fees		5,593	(4,737)	3,783	11	6,536
33	Incremental Income Taxes		326,374	(276,405)	220,728	667	381,384
34							
35	Total Commodity-Related Costs @ Proposed Rates		93,580,965	55,097,957	32,401,964	2,756,420	3,324,624
36	Total Throughput		42,314,959	9,637,652	5,380,137	471,075	26,826,095
37	Commodity Costs ($/Mcf)		$ 2.21	$ 5.72	$ 6.02	$ 5.85	$ 0.12

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

TOTAL COST OF SERVICE

		Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
		$				
1	Rate Base	252,914,292	183,313,135	43,452,699	2,678,580	23,469,879
2						
3	Return @ Realized ROR	13,460,079	2,864,702	4,389,699	18,228	6,187,450
4	O&M Expenses	116,962,934	76,810,842	35,025,091	3,031,608	2,095,393
5	Depreciation Expense	16,518,181	12,321,105	2,971,705	186,120	1,039,251
6	Taxes, Other	4,662,683	3,259,237	901,463	62,217	439,766
7						
8	Interest Expense	7,536,846	5,462,731	1,294,890	79,822	699,402
9						
10	Income Taxes:					
11						
12	State Income Taxes	581,660	(255,126)	303,909	(6,049)	538,924
13	Federal Income Taxes	3,189,433	(1,398,939)	1,666,435	(33,166)	2,955,103
14	Deferred Income Taxes	0	0	0	0	0
15	Amortization of ITC	0	0	0	0	0
16						
17	Total Income Taxes	3,771,093	(1,654,064)	1,970,345	(39,214)	3,494,027
18						
19	Total Cost of Service @ Realized ROR	155,374,969	93,601,821	45,258,302	3,258,958	13,255,887
20						
21						
22	Incremental Return @ Equalized ROR	8,113,510	12,771,908	(683,184)	210,255	(4,185,469)
23	Uncollectibles/PSC Fees	88,520	139,344	(7,454)	2,294	(45,664)
24	Incremental Income Taxes	5,165,557	8,131,379	(434,957)	133,861	(2,664,726)
25						
26	Total Cost of Service @ Equalized ROR	168,742,556	114,644,453	44,132,708	3,605,368	6,360,027
27						
28						
29	Incremental Return @ Proposed Rates	8,113,176	5,076,925	2,168,253	98,646	769,351
30	Uncollectibles/PSC Fees	88,517	55,390	23,656	1,076	8,394
30	Incremental Income Taxes	5,165,344	3,232,281	1,380,443	62,804	489,816
31						
32	Total Cost of Service @ Proposed Rates	168,742,006	101,966,418	48,830,654	3,421,485	14,523,448

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

CLASSIFICATION OF GROSS PLANT IN SERVICE

Line No.	Acct. No.		Test Year $	Classif. Factor	Classif. Basis	Customer $	Demand $	Commodity $
1		Intangible Plant:						
2								
3	30100	Organization	8,330	5.4	P, S, T & D Plant	6,909	1,315	106
4	30200	Franchises & Consents	119,853	5.4	P, S, T & D Plant	99,409	18,917	1,526
5	30300	Misc Intangible Plant	-	99.0	-	-	-	-
6								
7		Total Intangible Plant:	128,182			106,318	20,232	1,632
8								
9		Production Plant:						
10								
11	32520	Producing Leaseholds	2,353	2.0	Demand	-	2,353	-
12	32540	Rights of Ways	83,422	2.0	Demand	-	83,422	-
13	33100	Production Gas Wells Equipment	3,492	2.0	Demand	-	3,492	-
14	33201	Field Lines	47,163	2.0	Demand	-	47,163	-
15	33202	Tributary Lines	528,218	2.0	Demand	-	528,218	-
16	33400	Field Meas. & Reg. Sta. Equip	192,384	2.0	Demand	-	192,384	-
17	33600	Purification Equipment	44,369	2.0	Demand	-	44,369	-
18								
19		Total Production Plant	901,402			0	901,402	0
20								
21		Storage Plant:						
22								
23	35010	Land	261,127	3.5	Storage (50/50)	-	130,563	130,563
24	35020	Rights of Way	4,682	3.5	Storage (50/50)	-	2,341	2,341
25	35100	Structures and Improvements	17,916	3.5	Storage (50/50)	-	8,958	8,958
26	35102	Compression Station Equipment	153,261	3.5	Storage (50/50)	-	76,631	76,631
27	35103	Meas. & Reg. Sta. Structues	23,138	3.5	Storage (50/50)	-	11,569	11,569
28	35104	Other Structures	137,443	3.5	Storage (50/50)	-	68,721	68,721
29	35200	Wells \ Rights of Way	4,442,222	3.5	Storage (50/50)	-	2,221,111	2,221,111
30	35201	Well Construction	1,340,863	3.5	Storage (50/50)	-	670,431	670,431
31	35202	Well Equipment	455,309	3.5	Storage (50/50)	-	227,654	227,654
32	35203	Cushion Gas	1,694,833	3.5	Storage (50/50)	-	847,416	847,416
33	35210	Leaseholds	178,530	3.5	Storage (50/50)	-	89,265	89,265
34	35211	Storage Rights	54,614	3.5	Storage (50/50)	-	27,307	27,307
35	35301	Field Lines	178,497	3.5	Storage (50/50)	-	89,248	89,248
36	35302	Tributary Lines	209,458	3.5	Storage (50/50)	-	104,729	104,729
37	35400	Compressor Station Equipment	923,446	3.5	Storage (50/50)	-	461,723	461,723
38	35500	Meas & Reg. Equipment	240,883	3.5	Storage (50/50)	-	120,442	120,442
39	35600	Purification Equipment	163,979	3.5	Storage (50/50)	-	81,990	81,990
40								
41		Total Storage Plant	10,480,201			0	5,240,101	5,240,101
42								
43		Transmission:						
44								
45	36510	Land & Land Rights	26,970	2.0	Demand	-	26,970	-
46	36520	Rights of Way	867,772	2.0	Demand	-	867,772	-
47	36602	Structures & Improvements	49,002	2.0	Demand	-	49,002	-
48	36603	Other Structues	60,826	2.0	Demand	-	60,826	-
49	36700	Mains Cathodic Protection	406,035	2.0	Demand	-	406,035	-
50	36701	Mains - Steel	27,830,935	2.0	Demand	-	27,830,935	-
51	36900	Meas. & Reg. Equipment	578,023	2.0	Demand	-	578,023	-
52	36901	Meas. & Reg. Equipment	2,274,016	2.0	Demand	-	2,274,016	-
53								
54		Total Transmission Plant	32,093,579			0	32,093,579	0
55								
56		Distribution:						
57								
58	37400	Land & Land Rights	531,819	4.0	Mains	455,023	76,795	-
59	37401	Land	37,326	4.0	Mains	31,936	5,390	-
60	37402	Land Rights	253,401	4.0	Mains	216,809	36,592	-
61	37403	Land Other	2,784	4.0	Mains	2,382	402	-
62	37500	Structures & Improvements	343,073	4.0	Mains	293,532	49,540	-
63	37501	Structures & Improvements T.B.	101,507	4.0	Mains	86,849	14,658	-
64	37502	Land Rights	46,591	4.0	Mains	39,863	6,728	-
65	37503	Improvements	4,005	4.0	Mains	3,427	578	-
66	37600	Mains Cathodic Protection	11,318,115	4.0	Mains	9,683,755	1,634,361	-
67	37601	Mains - Steel	97,584,394	4.0	Mains	83,492,995	14,091,399	-
68	37602	Mains - Plastic	65,722,013	4.0	Mains	56,231,611	9,490,402	-
69	37800	Meas & Reg. Sta. Equip - General	5,367,160	4.0	Mains	4,592,130	775,030	-
70	37900	Meas & Reg. Sta. Equip - City Gate	2,272,991	4.0	Mains	1,944,766	328,225	-
71	37905	Meas & Reg. Sta. Equipment T.b.	1,394,628	4.0	Mains	1,193,241	201,387	-
72	38000	Services	98,853,417	1.0	Customer	98,853,417	-	-
73	38100	Meters	22,574,136	1.0	Customer	22,574,136	-	-
74	38200	Meter Installaitons	49,157,106	1.0	Customer	49,157,106	-	-
75	38300	House Regulators	7,239,801	1.0	Customer	7,239,801	-	-
76	38400	House Reg. Installations	154,276	1.0	Customer	154,276	-	-
77	38500	Ind. Meas. & Reg. Sta. Equipment	5,045,015	1.0	Customer	5,045,015	-	-
78	38600	Other Prop. On Cust. Prem	-	99.0	-	-	-	-
79								
80		Total Distribution Plant	368,093,558			341,292,072	26,711,487	0

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

CLASSIFICATION OF GROSS PLANT IN SERVICE

Line No.	Acct. No.		Test Year $	Classif. Factor	Classif. Basis	Customer $	Demand $	Commodity $
81								
82		General:						
83								
84	38900	Land & Land Rights	786,216	5.4	P, S, T & D Plant	652,110	124,094	10,012
85	39000	Structures & Improvements	3,619,684	5.4	P, S, T & D Plant	3,002,268	571,320	46,096
86	39001	Structures Frame	-	5.4	P, S, T & D Plant	-	-	-
87	39002	Structures-Brick	178,755	5.4	P, S, T & D Plant	148,265	28,214	2,276
88	39003	Improvements	725,022	5.4	P, S, T & D Plant	601,354	114,435	9,233
89	39004	Air Conditioning Equipment	7,461	5.4	P, S, T & D Plant	6,189	1,178	95
90	39009	Improvement to leased Premises	1,279,376	5.4	P, S, T & D Plant	1,061,150	201,933	16,293
91	39100	Office Furniture & Equipment	1,475,298	5.4	P, S, T & D Plant	1,223,654	232,857	18,788
92	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
93	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
94	39200	Transportation Equipment	395,444	5.4	P, S, T & D Plant	327,993	62,416	5,036
95	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
96	39202	Trailers	33,192	5.4	P, S, T & D Plant	27,530	5,239	423
97	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
98	39400	Tools, Shop & Garage Equipment	2,197,415	5.4	P, S, T & D Plant	1,822,598	346,833	27,984
99	39600	Power Operated Equipment	-	5.4	P, S, T & D Plant	-	-	-
100	39603	Ditchers	53,704	5.4	P, S, T & D Plant	44,543	8,476	684
101	39604	Backhoes	62,747	5.4	P, S, T & D Plant	52,044	9,904	799
102	39605	Welders	33,236	5.4	P, S, T & D Plant	27,567	5,246	423
103	39700	Communication Equipment	376,277	5.4	P, S, T & D Plant	312,095	59,390	4,792
104	39701	Communication Equipment - Mobile Radi	-	5.4	P, S, T & D Plant	-	-	-
105	39702	Communication Equipment - Fixed Radic	-	5.4	P, S, T & D Plant	-	-	-
106	39705	Communication Equip. - Telemetering	66,316	5.4	P, S, T & D Plant	55,004	10,467	845
107	39800	Miscellaneous Equipment	2,521,971	5.4	P, S, T & D Plant	2,091,794	398,060	32,117
108	39900	Other Tangible Property	-	5.4	P, S, T & D Plant	-	-	-
109	39901	Other Tangible Property - Servers - H	175,990	5.4	P, S, T & D Plant	145,971	27,778	2,241
110	39902	Other Tangible Property - Servers - S	73,566	5.4	P, S, T & D Plant	61,018	11,611	937
111	39903	Other Tangible Property - Network - H	-	5.4	P, S, T & D Plant	-	-	-
112	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
113	39905	Other Tangible Property - MF - Hardwa	-	5.4	P, S, T & D Plant	-	-	-
114	39906	Other Tang. Property - PC Hardware	195,649	5.4	P, S, T & D Plant	162,277	30,881	2,492
115	39907	Other Tang. Property - PC Software	-	5.4	P, S, T & D Plant	-	-	-
116	39908	Other Tang. Property - Mainframe S/W	-	5.4	P, S, T & D Plant	-	-	-
117	39909	Other Tang. Property - Application Sc	-	5.4	P, S, T & D Plant	-	-	-
118	39924	Other Tang. Property - General Startu	-	5.4	P, S, T & D Plant	-	-	-
119								
120		Total General Plant	14,257,320			11,825,423	2,250,333	181,564
121								
122		TOTAL DIRECT PLANT	426,864,243			353,223,813	67,217,133	5,423,297
123								
124		CWIP w/o AFUDC	7,949,586	5.4	P, S, T & D Plant	6,593,611	1,254,739	101,236
125								
126		Kentucky Mid-States General Office:						
127								
128		Intangible Plant:						
129								
130	30100	Organization	92,661	5.4	P, S, T & D Plant	76,856	14,625	1,180
131	30200	Franchises & Consents	-	5.4	P, S, T & D Plant	-	-	-
132	30300	Misc Intangible Plant	554,814	5.4	P, S, T & D Plant	460,178	87,570	7,065
133								
134		Total Intangible Plant:	647,474			537,034	102,195	8,245
135								
136		General:						
137								
138	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
139	39001	Structures Frame	89,675	5.4	P, S, T & D Plant	74,379	14,154	1,142
140	39004	Air Conditioning Equipment	2,886	5.4	P, S, T & D Plant	2,393	455	37
141	39009	Improvement to leased Premises	19,418	5.4	P, S, T & D Plant	16,106	3,065	247
142	39100	Office Furniture & Equipment	44,069	5.4	P, S, T & D Plant	36,552	6,956	561
143	39200	Transportation Equipment	2,055	5.4	P, S, T & D Plant	1,704	324	26
144	39300	Stores Equipment	2,081	5.4	P, S, T & D Plant	1,726	328	26
145	39400	Tools, Shop & Garage Equipment	71,284	5.4	P, S, T & D Plant	59,125	11,251	908
146	39600	Power Operated Equipment	9,768	5.4	P, S, T & D Plant	8,102	1,542	124
147	39700	Communication Equipment	19,000	5.4	P, S, T & D Plant	15,759	2,999	242
148	39800	Miscellaneous Equipment	412,511	5.4	P, S, T & D Plant	342,149	65,110	5,253
149	39900	Other Tangible Property	38,499	5.4	P, S, T & D Plant	31,932	6,077	490
150	39901	Other Tangible Property - Servers - H/W	172,108	5.4	P, S, T & D Plant	142,752	27,165	2,192
151	39902	Other Tangible Property - Servers - S/W	4,137	5.4	P, S, T & D Plant	3,431	653	53
152	39903	Other Tangible Property - Network - H/W	108,270	5.4	P, S, T & D Plant	89,802	17,089	1,379
153	39906	Other Tang. Property - PC Hardware	341,887	5.4	P, S, T & D Plant	283,571	53,962	4,354
154	39907	Other Tang. Property - PC Software	-	5.4	P, S, T & D Plant	-	-	-
155	39908	Other Tang. Property - Mainframe S/W	-	5.4	P, S, T & D Plant	-	-	-
156								
157		Total General Plant	1,337,649			1,109,484	211,130	17,035
158								
159		CWIP w/o AFUDC	169,180	5.4	P, S, T & D Plant	140,323	26,703	2,154
160								

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

CLASSIFICATION OF GROSS PLANT IN SERVICE

Line No.	Acct. No.		Test Year $	Classif. Factor	Classif. Basis	Customer $	Demand $	Commodity $
161		Shared Services General Office:						
162								
163		General:						
164								
165	38000	Structures & Improvements	6,927	5.4	P, S, T & D Plant	5,745	1,093	88
166	38005	G-Structures & Improvements	128,243	5.4	P, S, T & D Plant	106,369	20,242	1,633
167	38009	Improvement to leased Premises	516,609	5.4	P, S, T & D Plant	428,490	81,540	6,579
168	39100	Office Furniture & Equipment	530,191	5.4	P, S, T & D Plant	439,755	83,684	6,752
169	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
170	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
171	39104	G-Office Furniture & Equip.	893	5.4	P, S, T & D Plant	741	141	11
172	39200	Transportation Equipment	5,503	5.4	P, S, T & D Plant	4,564	869	70
173	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
174	39400	Tools, Shop & Garage Equipment	14,142	5.4	P, S, T & D Plant	11,729	2,232	180
175	39500	Laboratory Equipment	2,347	5.4	P, S, T & D Plant	1,947	370	30
176	39700	Communication Equipment	158,860	5.4	P, S, T & D Plant	131,763	25,074	2,023
177	39800	Miscellaneous Equipment	21,546	5.4	P, S, T & D Plant	17,871	3,401	274
178	39900	Other Tangible Property	9,006	5.4	P, S, T & D Plant	7,470	1,422	115
179	39901	Other Tangible Property - Servers - H/W	1,668,562	5.4	P, S, T & D Plant	1,383,852	263,361	21,249
180	39902	Other Tangible Property - Servers - S/W	858,974	5.4	P, S, T & D Plant	712,457	135,578	10,939
181	39903	Other Tangible Property - Network - H/W	201,953	5.4	P, S, T & D Plant	167,505	31,876	2,572
182	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
183	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
184	39906	Other Tang. Property - PC Hardware	145,811	5.4	P, S, T & D Plant	120,940	23,014	1,857
185	39907	Other Tang. Property - PC Software	53,910	5.4	P, S, T & D Plant	44,714	8,509	687
186	39908	Other Tang. Property - Mainframe S/W	5,761,472	5.4	P, S, T & D Plant	4,778,727	909,373	73,371
187	39909	Other Tang. Property - Application Software	145,121	5.4	P, S, T & D Plant	120,368	22,905	1,848
188	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-
189								
190		Total General Plant	10,230,069			8,485,108	1,614,583	130,278
191								
192		CWIP w/o AFUDC	357,845	5.4	P, S, T & D Plant	296,807	56,481	4,557
193								
194		Shared Services Customer Support:						
195								
196		General:						
197								
198	38900	Land	164,345	5.4	P, S, T & D Plant	136,312	25,940	2,093
199	38910	CKV-Land & Land Rights	14,993	5.4	P, S, T & D Plant	12,435	2,366	191
200	39000	Structures & Improvements	755,564	5.4	P, S, T & D Plant	626,686	119,256	9,622
201	39009	Improvement to leased Premises	259,245	5.4	P, S, T & D Plant	215,025	40,918	3,301
202	39010	CKV-Structures & Improvements	82,629	5.4	P, S, T & D Plant	68,535	13,042	1,052
203	39100	Office Furniture & Equipment	65,363	5.4	P, S, T & D Plant	54,214	10,317	832
204	39700	Communication Equipment	118,380	5.4	P, S, T & D Plant	98,188	18,685	1,508
205	39710	CKV-Communication Equipment	2,158	5.4	P, S, T & D Plant	1,790	341	27
206	39800	Miscellaneous Equipment	5,452	5.4	P, S, T & D Plant	4,522	861	69
207	39900	Other Tangible Property	-	5.4	P, S, T & D Plant	-	-	-
208	39901	Other Tangible Property - Servers - H/W	332,188	5.4	P, S, T & D Plant	275,526	52,432	4,230
209	39902	Other Tangible Property - Servers - S/W	154,557	5.4	P, S, T & D Plant	128,194	24,395	1,968
210	39903	Other Tangible Property - Network - H/W	110,823	5.4	P, S, T & D Plant	91,920	17,492	1,411
211	39906	Other Tang. Property - PC Hardware	71,420	5.4	P, S, T & D Plant	59,237	11,273	910
212	39907	Other Tang. Property - PC Software	28,967	5.4	P, S, T & D Plant	24,026	4,572	369
213	39908	Other Tang. Property - Mainframe S/W	5,586,709	5.4	P, S, T & D Plant	4,633,774	881,789	71,146
214	39910	CKV-Other Tangible Property	945	5.4	P, S, T & D Plant	784	149	12
215	39916	CKV-Oth Tang Prop-PC Hardware	1,541	5.4	P, S, T & D Plant	1,278	243	20
216	39917	CKV-Oth Tang Prop-PC Software	719	5.4	P, S, T & D Plant	597	114	9
217	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-
218								
219		Total General Plant	7,755,998			6,433,044	1,224,183	98,771
220								
221		CWIP w/o AFUDC	65,180	5.4	P, S, T & D Plant	54,062	10,288	830
222								
223		TOTAL PLANT IN SERVICE	446,835,433			369,788,482	70,369,325	5,677,626
224								
225		TOTAL CWIP W/O AFUDC	8,541,792			7,084,803	1,348,211	108,778

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

CLASSIFICATION OF RESERVE FOR DEPRECIATION AND AMORTIZATION

Line No.	Acct. No.		Test Year $	Classif. Factor	Classif. Basis	Customer $	Demand $	Commodity $
1		Intangible Plant:						
2								
3	30100	Organization	8,330	5.4	P, S, T & D Plant	6,009	1,315	106
4	30200	Franchises & Consents	119,853	5.4	P, S, T & D Plant	99,409	18,917	1,526
5	30300	Misc Intangible Plant	-	99.0	-	-	-	-
6								
7		Total Intangible Plant:	128,182			106,318	20,232	1,632
8								
9		Production Plant:						
10								
11	32520	Producing Leaseholds	904	2.0	Demand	-	904	-
12	32540	Rights of Ways	12,963	2.0	Demand	-	12,963	-
13	33100	Production Gas Wells Equipment	3,492	2.0	Demand	-	3,492	-
14	33201	Field Lines	47,163	2.0	Demand	-	47,163	-
15	33202	Tributary Lines	529,956	2.0	Demand	-	529,956	-
16	33400	Field Meas. & Reg. Sta. Equip	191,854	2.0	Demand	-	191,854	-
17	33600	Purification Equipment	15,287	2.0	Demand	-	15,287	-
18								
19		Total Production Plant	801,619			0	801,619	0
20								
21		Storage Plant:						
22								
23	35010	Land	-	3.5	Storage (50/50)	-	-	-
24	35020	Rights of Way	4,682	3.5	Storage (50/50)	-	2,341	2,341
25	35100	Structures and Improvements	5,641	3.5	Storage (50/50)	-	2,821	2,821
26	35102	Compression Station Equipment	122,115	3.5	Storage (50/50)	-	61,058	61,058
27	35103	Meas. & Reg. Sta. Structues	24,295	3.5	Storage (50/50)	-	12,148	12,148
28	35104	Other Structures	141,034	3.5	Storage (50/50)	-	70,517	70,517
29	35200	Wells \ Rights of Way	589,836	3.5	Storage (50/50)	-	294,918	294,918
30	35201	Well Construction	1,182,091	3.5	Storage (50/50)	-	591,046	591,046
31	35202	Well Equipment	573,862	3.5	Storage (50/50)	-	286,931	286,931
32	35203	Cushion Gas	270,382	3.5	Storage (50/50)	-	135,191	135,191
33	35210	Leaseholds	178,619	3.5	Storage (50/50)	-	89,310	89,310
34	35211	Storage Rights	53,699	3.5	Storage (50/50)	-	26,849	26,849
35	35301	Field Lines	187,422	3.5	Storage (50/50)	-	93,711	93,711
36	35302	Tributary Lines	219,931	3.5	Storage (50/50)	-	109,966	109,966
37	35400	Compressor Station Equipment	388,075	3.5	Storage (50/50)	-	194,037	194,037
38	35500	Meas & Reg. Equipment	240,238	3.5	Storage (50/50)	-	120,119	120,119
39	35600	Purification Equipment	163,999	3.5	Storage (50/50)	-	82,000	82,000
40								
41		Total Storage Plant	4,345,921			0	2,172,961	2,172,961
42								
43		Transmission:						
44								
45	36510	Land & Land Rights	16	2.0	Demand	-	16	-
46	36520	Rights of Way	434,585	2.0	Demand	-	434,585	-
47	36602	Structures & Improvements	(1,441)	2.0	Demand	-	(1,441)	-
48	36603	Other Structues	60,585	2.0	Demand	-	60,585	-
49	36700	Mains Cathodic Protection	303,101	2.0	Demand	-	303,101	-
50	36701	Mains - Steel	17,004,632	2.0	Demand	-	17,004,632	-
51	36900	Meas. & Reg. Equipment	242,952	2.0	Demand	-	242,952	-
52	36901	Meas. & Reg. Equipment	1,805,542	2.0	Demand	-	1,805,542	-
53								
54		Total Transmission Plant	19,849,972			0	19,849,972	0
55								
56		Distribution:						
57								
58	37400	Land & Land Rights	57,145	4.0	Mains	48,893	8,252	-
59	37401	Land	(7,250)	4.0	Mains	(6,203)	(1,047)	-
60	37402	Land Rights	57,120	4.0	Mains	48,871	8,248	-
61	37403	Land Other	-	4.0	Mains	-	-	-
62	37500	Structures & Improvements	101,365	4.0	Mains	86,728	14,637	-
63	37501	Structures & Improvements T.B.	98,146	4.0	Mains	83,974	14,173	-
64	37502	Land Rights	46,641	4.0	Mains	39,906	6,735	-
65	37503	Improvements	1,092	4.0	Mains	934	158	-
66	37600	Mains Cathodic Protection	2,463,162	4.0	Mains	2,107,478	355,685	-
67	37601	Mains - Steel	43,447,799	4.0	Mains	37,173,842	6,273,957	-
68	37602	Mains - Plastic	13,236,019	4.0	Mains	11,324,709	1,911,310	-
69	37800	Meas & Reg. Sta. Equip - General	1,727,152	4.0	Mains	1,477,747	249,404	-
70	37900	Meas & Reg. Sta. Equip - City Gate	397,966	4.0	Mains	340,499	57,467	-
71	37905	Meas & Reg. Sta. Equipment T.B.	1,207,742	4.0	Mains	1,033,341	174,401	-
72	38000	Services	47,464,180	1.0	Customer	47,464,180	-	-
73	38100	Meters	8,831,960	1.0	Customer	8,831,960	-	-
74	38200	Meter Installaitons	10,090,016	1.0	Customer	10,090,016	-	-
75	38300	House Regulators	3,231,320	1.0	Customer	3,231,320	-	-
76	38400	House Reg. Installations	122,845	1.0	Customer	122,845	-	-
77	38500	Ind. Meas. & Reg. Sta. Equipment	2,894,605	1.0	Customer	2,894,605	-	-
78	38600	Other Prop. On Cust. Prem	-	99.0	-	-	-	-
79								
80		Total Distribution Plant	135,469,823			126,395,842	9,073,380	0

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

CLASSIFICATION OF RESERVE FOR DEPRECIATION AND AMORTIZATION

Line No.	Acct. No.		Test Year $	Classif. Factor	Classif. Basis	Customer $	Demand $	Commodity $
81								
82		General:						
83								
84	38900	Land & Land Rights	25,654	5.4	P, S, T & D Plant	21,276	4,049	327
85	39000	Structures Frame	612,960	5.4	P, S, T & D Plant	508,406	96,748	7,806
86	39002	Improvements	179,032	5.4	P, S, T & D Plant	148,494	28,258	2,280
87	39003	Air Conditioning Equipment	538,256	5.4	P, S, T & D Plant	446,445	84,957	6,855
88	39004	Improvement to leased Premises	7,480	5.4	P, S, T & D Plant	6,204	1,181	95
89	39009	Office Furniture & Equipment	1,277,363	5.4	P, S, T & D Plant	1,059,481	201,615	16,267
90	39100	Remittance Processing Equip	280,045	5.4	P, S, T & D Plant	232,277	44,201	3,566
91	39103	Transportation Equipment	(107,598)	5.4	P, S, T & D Plant	(89,245)	(16,983)	(1,370)
92	39200	Trucks	403,130	5.4	P, S, T & D Plant	334,367	63,629	5,134
93	39201	Trailers	4,973	5.4	P, S, T & D Plant	4,125	785	63
94	39202	Stores Equipment	48,607	5.4	P, S, T & D Plant	40,316	7,672	619
95	39400	Power Operated Equipment	385,061	5.4	P, S, T & D Plant	319,380	60,777	4,904
96	39603	Backhoes	(161,532)	5.4	P, S, T & D Plant	(133,979)	(25,496)	(2,057)
97	39604	Welders	(13,233)	5.4	P, S, T & D Plant	(10,976)	(2,089)	(169)
98	39605	Communication Equipment	21,395	5.4	P, S, T & D Plant	17,745	3,377	272
99	39700	Communication Equipment - Mobile Rad	(215,752)	5.4	P, S, T & D Plant	(178,950)	(34,054)	(2,748)
100	39701	Communication Equipment - Fixed Radi	(22,087)	5.4	P, S, T & D Plant	(18,320)	(3,486)	(281)
101	39702	Communication Equip. - Telemetering	(34,136)	5.4	P, S, T & D Plant	(28,313)	(5,388)	(435)
102	39705	Miscellaneous Equipment	(122,518)	5.4	P, S, T & D Plant	(101,620)	(19,338)	(1,560)
103	39800	Other Tangible Property	581,115	5.4	P, S, T & D Plant	481,993	91,721	7,400
104	39900	Other Tangible Property - Servers -	-	5.4	P, S, T & D Plant	-	-	-
105	39901	Other Tangible Property - Servers -	175,990	5.4	P, S, T & D Plant	145,971	27,776	2,241
106	39902	Other Tangible Property - Network -	78,554	5.4	P, S, T & D Plant	65,155	12,399	1,000
107	39903	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
108	39904	Other Tangible Property - MF - Hardw	-	5.4	P, S, T & D Plant	-	-	-
109	39905	Other Tang. Property - PC Hardware	-	5.4	P, S, T & D Plant	-	-	-
110	39906	Other Tang. Property - PC Software	(2,045,235)	5.4	P, S, T & D Plant	(1,696,376)	(322,814)	(26,046)
111	39907	Other Tang. Property - Mainframe S/W	-	5.4	P, S, T & D Plant	-	-	-
112	39908	Other Tang. Property - Application S	-	5.4	P, S, T & D Plant	-	-	-
113		AR 15 general plant amortization	119,747	5.4	P, S, T & D Plant	99,321	18,900	1,525
114		Retirement Work in Progress	(4,706,121)	5.4	P, S, T & D Plant	(3,903,390)	(742,800)	(59,932)
115								
116		Total General Plant	(2,688,852)			(2,230,210)	(424,400)	(34,242)
117								
118		TOTAL DIRECT RESERVE FOR DEPRECIATION	157,905,884			124,271,750	31,493,763	2,140,351
119								
120		Kentucky Mid-States General Office:						
121								
122		Intangible Plant:						
123								
124	30100	Organization	-	5.4	P, S, T & D Plant	-	-	-
125	30200	Franchises & Consents	-	5.4	P, S, T & D Plant	-	-	-
126	30300	Misc Intangible Plant	-	5.4	P, S, T & D Plant	-	-	-
127								
128		Total Intangible Plant:	0			0	0	0
129								
130		General:						
131								
132	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
133	39001	Structures Frame	24,929	5.4	P, S, T & D Plant	20,677	3,935	317
134	39004	Air Conditioning Equipment	2,886	5.4	P, S, T & D Plant	2,393	455	37
135	39009	Improvement to leased Premises	24,544	5.4	P, S, T & D Plant	20,358	3,874	313
136	39100	Office Furniture & Equipment	35,136	5.4	P, S, T & D Plant	29,143	5,546	447
137	39200	Transportation Equipment	3,829	5.4	P, S, T & D Plant	3,176	604	49
138	39300	Stores Equipment	1,785	5.4	P, S, T & D Plant	1,481	282	23
139	39400	Tools, Shop & Garage Equipment	31,963	5.4	P, S, T & D Plant	26,511	5,045	407
140	39600	Power Operated Equipment	7,737	5.4	P, S, T & D Plant	6,417	1,221	99
141	39700	Communication Equipment	(6,551)	5.4	P, S, T & D Plant	(5,434)	(1,034)	(83)
142	39800	Miscellaneous Equipment	222,014	5.4	P, S, T & D Plant	184,145	35,042	2,827
143	39900	Other Tangible Property	38,499	5.4	P, S, T & D Plant	31,932	6,077	490
144	39901	Other Tangible Property - Servers -	101,983	5.4	P, S, T & D Plant	84,587	16,097	1,299
145	39902	Other Tangible Property - Servers -	5,759	5.4	P, S, T & D Plant	4,777	909	73
146	39903	Other Tangible Property - Network -	108,270	5.4	P, S, T & D Plant	89,802	17,089	1,379
147	39906	Other Tang. Property - PC Hardware	(360,590)	5.4	P, S, T & D Plant	(299,084)	(56,914)	(4,592)
148	39907	Other Tang. Property - PC Software	-	5.4	P, S, T & D Plant	-	-	-
149	39908	Other Tang. Property - Mainframe S/W	521,687	5.4	P, S, T & D Plant	432,702	82,342	6,644
150		Retirement Work in Progress	24,381	5.4	P, S, T & D Plant	20,222	3,848	310
151								
152		Total General Plant	788,261			653,808	124,417	10,036
153								

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

CLASSIFICATION OF RESERVE FOR DEPRECIATION AND AMORTIZATION

Line No.	Acct. No.		Test Year $	Classif. Factor	Classif. Basis	Customer $	Demand $	Commodity $
154		Shared Services General Office:						
155								
156		General:						
157								
158	39000	Structures & Improvements	367	5.4	P, S, T & D Plant	304	58	5
159	39005	G-Structures & Improvements	41,632	5.4	P, S, T & D Plant	34,530	6,571	530
160	39009	Improvement to leased Premises	508,868	5.4	P, S, T & D Plant	422,069	80,318	6,480
161	39100	Office Furniture & Equipment	336,303	5.4	P, S, T & D Plant	278,940	53,081	4,283
162	39102	Remittance Processing Equip	325	5.4	P, S, T & D Plant	270	51	4
163	39103	Office Machines	160	5.4	P, S, T & D Plant	133	25	2
164	39104	G-Office Furniture & Equip.	111	5.4	P, S, T & D Plant	92	18	1
165	39200	Transportation Equipment	4,472	5.4	P, S, T & D Plant	3,709	706	57
166	39300	Stores Equipment	42	5.4	P, S, T & D Plant	35	7	1
167	39400	Tools, Shop & Garage Equipment	3,633	5.4	P, S, T & D Plant	3,014	573	46
168	39500	Laboratory Equipment	328	5.4	P, S, T & D Plant	272	52	4
169	39700	Communication Equipment	63,904	5.4	P, S, T & D Plant	53,004	10,086	814
170	39800	Miscellaneous Equipment	6,284	5.4	P, S, T & D Plant	5,212	992	80
171	39900	Other Tangible Property	4,450	5.4	P, S, T & D Plant	3,691	702	57
172	39901	Other Tangible Property - Servers -	569,058	5.4	P, S, T & D Plant	471,992	89,818	7,247
173	39902	Other Tangible Property - Servers -	318,108	5.4	P, S, T & D Plant	263,846	50,209	4,051
174	39903	Other Tangible Property - Network -	118,878	5.4	P, S, T & D Plant	98,600	18,763	1,514
175	39904	Other Tang. Property - CPU	952	5.4	P, S, T & D Plant	790	150	12
176	39905	Other Tangible Property - MF - Hardw	855	5.4	P, S, T & D Plant	709	135	11
177	39906	Other Tang. Property - PC Hardware	128,525	5.4	P, S, T & D Plant	106,602	20,286	1,637
178	39907	Other Tang. Property - PC Software	47,912	5.4	P, S, T & D Plant	39,740	7,562	610
179	39908	Other Tang. Property - Mainframe S/W	3,980,772	5.4	P, S, T & D Plant	3,301,764	628,313	50,694
180	39909	Other Tang. Property - Application S	151,394	5.4	P, S, T & D Plant	125,570	23,896	1,928
181	39924	Other Tang. Property - General Start	0	5.4	P, S, T & D Plant	0	0	0
182		Retirement Work in Progress	(9)	5.4	P, S, T & D Plant	(7)	(1)	(0)
183								
184		Total General Plant	6,287,324			5,214,884	992,372	80,068
185								
186		Shared Services Customer Support:						
187								
188		General:						
189								
190	38900	Land	-	5.4	P, S, T & D Plant	-	-	-
191	38910	CKV-Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
192	39000	Structures & Improvements	179,456	5.4	P, S, T & D Plant	148,846	28,325	2,285
193	39009	Improvement to leased Premises	211,810	5.4	P, S, T & D Plant	175,681	33,431	2,697
194	39010	CKV-Structures & Improvements	23,673	5.4	P, S, T & D Plant	19,635	3,737	301
195	39100	Office Furniture & Equipment	8,591	5.4	P, S, T & D Plant	7,125	1,356	109
196	39700	Communication Equipment	(354,256)	5.4	P, S, T & D Plant	(293,830)	(55,915)	(4,511)
197	39710	CKV-Communication Equipment	629	5.4	P, S, T & D Plant	522	99	8
198	39800	Miscellaneous Equipment	203	5.4	P, S, T & D Plant	169	32	3
199	39900	Other Tangible Property	(59)	5.4	P, S, T & D Plant	(49)	(9)	(1)
200	39901	Other Tangible Property - Servers -	(130,340)	5.4	P, S, T & D Plant	(108,108)	(20,573)	(1,660)
201	39902	Other Tangible Property - Servers -	(236,463)	5.4	P, S, T & D Plant	(196,129)	(37,323)	(3,011)
202	39903	Other Tangible Property - Network -	5,533	5.4	P, S, T & D Plant	4,589	873	70
203	39906	Other Tang. Property - PC Hardware	(6,303)	5.4	P, S, T & D Plant	(5,228)	(995)	(80)
204	39907	Other Tang. Property - PC Software	15,615	5.4	P, S, T & D Plant	12,951	2,465	199
205	39908	Other Tang. Property - Mainframe S/W	2,190,316	5.4	P, S, T & D Plant	1,816,710	345,713	27,893
206	39910	CKV-Other Tangible Property	212	5.4	P, S, T & D Plant	176	33	3
207	39916	CKV-Oth Tang Prop-PC Hardware	811	5.4	P, S, T & D Plant	673	128	10
208	39917	CKV-Oth Tang Prop-PC Software	232	5.4	P, S, T & D Plant	192	37	3
209	39924	Other Tang. Property - General Start	8	5.4	P, S, T & D Plant	7	1	0
210		Retirement Work in Progress	(1,356)	5.4	P, S, T & D Plant	(1,125)	(214)	(17)
211								
212		Total General Plant	1,908,312			1,582,808	301,202	24,302
213								
214		TOTAL RESERVE FOR DEPRECIATION	166,889,761			131,723,248	32,911,754	2,254,759

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

CLASSIFICATION OF OTHER RATE BASE

		Test Year $	Classif. Factor	Classif. Basis	Customer $	Demand $	Commodity $
1	Rate Base Additions:						
2							
3	Materials and Supplies - KY Direct	(9,437)	9.1	Allocated O&M Expenses	(1,946)	(191)	(7,300)
4	Materials and Supplies - KY Mid-States GO	68,287	9.1	Allocated O&M Expenses	14,079	1,384	52,824
5	Materials and Supplies - Shared Services GO	0	9.1	Allocated O&M Expenses	0	0	0
6	Materials and Supplies - Shared Services CS	0	9.1	Allocated O&M Expenses	-	-	-
7	Gas Storage Inventory	9,415,216	3.0	Commodity	-	-	9,415,216
8	Prepayments - KY Direct	229,654	9.1	Allocated O&M Expenses	47,350	4,653	177,651
9	Prepayments - KY Mid-States GO	4,955	9.1	Allocated O&M Expenses	1,022	100	3,833
10	Prepayments - Shared Services GO	748,194	9.1	Allocated O&M Expenses	154,261	15,160	578,773
11	Prepayments - Shared Services CS	271,559	9.1	Allocated O&M Expenses	55,990	5,502	210,067
12	Cash Working Capital	3,337,211	9.1	Allocated O&M Expenses	688,061	67,618	2,581,532
13							
14	Total Rate Base Additions	14,065,640			958,817	94,226	13,012,596
15							
16							
17	Rate Base Deductions:						
18							
19	Customer Advances - KY Direct	(2,745,576)	1.0	Customer	(2,745,576)	-	-
20	Customer Advances - KY Mid-States GO	0	1.0	Customer	-	-	-
21	Customer Advances - Shared Services GO	0	1.0	Customer	-	-	-
22	Customer Advances - Shared Services CS	0	1.0	Customer	-	-	-
23	ADIT - KY Direct	(71,043,224)	5.7	Net Plant	(60,580,898)	(9,589,593)	(872,732)
24	ADIT - KY Mid-States GO	20,040,473	5.7	Net Plant	17,089,172	2,705,114	246,188
25	ADIT - Shared Services GO	(1,541,599)	5.7	Net Plant	(1,314,572)	(208,089)	(18,938)
26	ADIT - Shared Services CS	6,651,113	5.7	Net Plant	5,671,623	897,784	81,706
27							
28	Total Rate Base Deductions	(48,638,812)			(41,880,251)	(6,194,785)	(563,776)
29							
30							
31	TOTAL OTHER RB	(34,573,172)			(40,921,434)	(6,100,558)	12,448,820
32							
33	Interest on Customer Deposits	0	1.0	Customer	-	-	-

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

CLASSIFICATION OF O&M EXPENSE

Line No.	Acct. No.		Test Year $	Classif. Factor	Classif. Basis	Customer $	Demand $	Commodity $
1		Production & Gathering:						
2		Operation						
3	7500	Op., Sup., & Eng.	0	99.0	-	-	-	-
4	7510	Production Maps & Records	0	99.0	-	-	-	-
5	7530	Field Lines Expenses	0	99.0	-	-	-	-
6	7540	Field Compressor Station Expense	0	99.0	-	-	-	-
7	7550	Field Compressor Sta. Fuel & Pwr.	0	99.0	-	-	-	-
8	7560	Field Meas. & Regul. Station Exp	0	99.0	-	-	-	-
9	7570	Purification Expense	0	99.0	-	-	-	-
10	7590	Other Expenses	0	99.0	-	-	-	-
11		Maintenance						
12	7610	Maint. Sup., & Eng.	0	99.0	-	-	-	-
13	7620	Structures and Improvements	0	99.0	-	-	-	-
14	7640	Field Line Maintenance	0	99.0	-	-	-	-
15	7650	Compressor Station Equip. Maint.	0	99.0	-	-	-	-
16	7660	Meas. & Regul. Station Equip Maint	0	99.0	-	-	-	-
17	7670	Purification Equipment Maintenance	0	99.0	-	-	-	-
18	7680	Other Equipment Maintenance	0	99.0	-	-	-	-
19	7690	Gas Processed By Others	0	99.0	-	-	-	-
20		Total Production & Gathering	0			0	0	0
21								
22		Other Gas Supply Expenses:						
23		Operation						
24	8001	Intercompany Gas Well-head Purchases	2,392,628	3.0	Commodity	-	-	2,392,628
25	8010	Natural gas field line purchases	1,391,896	3.0	Commodity	-	-	1,391,896
26	8040	Natural Gas City Gate Purchases	45,614,740	3.0	Commodity	-	-	45,614,740
27	8045	Transportation to City Gate	0	3.0	Commodity	-	-	-
28	8050	Transmission-Operation supervision and engineering	(14,067)	3.0	Commodity	-	-	(14,067)
29	8051	Other Gas Purchases / Gas Cost Adjustments	56,021,426	3.0	Commodity	-	-	56,021,426
30	8052	PGA for Commercial	26,327,213	3.0	Commodity	-	-	26,327,213
31	8053	PGA for Industrial	5,265,345	3.0	Commodity	-	-	5,265,345
32	8054	PGA for Public Authority	6,496,020	3.0	Commodity	-	-	6,496,020
33	8057	PGA for Transportation Sales	0	3.0	Commodity	-	-	-
34	8058	Unbilled PGA Costs	(3,827,283)	3.0	Commodity	-	-	(3,827,283)
35	8059	PGA Offset to Unrecovered Gas Cost	(103,417,562)	3.0	Commodity	-	-	(103,417,562)
36	8060	Exchange Gas	7,289,206	3.0	Commodity	-	-	7,289,206
37	8081	Gas Withdrawn From Storage - Debit	26,869,335	3.0	Commodity	-	-	26,869,335
38	8082	Gas Delivered to Storage	(15,161,906)	3.0	Commodity	-	-	(15,161,906)
39	8110	Gas used for products extraction-Credit	0	3.0	Commodity	-	-	-
40	8120	Gas Used for Other Utility Operations	(17,621)	3.0	Commodity	-	-	(17,621)
41	8130	Other Gas Supply Expenses	(5)	3.0	Commodity	-	-	(5)
42	8680	Transmission and compression of gas by others	35,035,880	3.0	Commodity	-	-	35,035,880
43		Maintenance						
44	8350	Maint. Of Purch. Gas Meas. Sta.	0	3.0	Commodity	-	-	-
45		Total Other Gas Supply Expenses	90,265,244			0	0	90,265,244
46								
47		Underground Storage:						
48		Operation						
49	8140	Op., Sup., & Eng.	(1,062)	3.5	Storage (50/50)	-	(531)	(531)
50	8150	Maps & Records	0	3.5	Storage (50/50)	-	-	-
51	8160	Wells Expense	169,618	3.5	Storage (50/50)	-	84,809	84,809
52	8170	Lines Expense	60,954	3.5	Storage (50/50)	-	30,477	30,477
53	8180	Compressor Station Expense	24,924	3.5	Storage (50/50)	-	12,462	12,462
54	8190	Compressor Station Fuel & Power	777	3.5	Storage (50/50)	-	388	388
55	8200	Meas. & Regul. Station Expenses	4,790	3.5	Storage (50/50)	-	2,395	2,395
56	8210	Purification Expenses	34,456	3.5	Storage (50/50)	-	17,228	17,228
57	8240	Other	223	3.5	Storage (50/50)	-	111	111
58	8250	Storage Well Royalties	13,900	3.5	Storage (50/50)	-	6,950	6,950
59		Maintenance						
60	8300	Maint. Sup., & Eng.	10,314	3.5	Storage (50/50)	-	5,157	5,157
61	8310	Structures and Improvements	0	3.5	Storage (50/50)	-	-	-
62	8320	Reservoirs & Wells Maintenance	0	3.5	Storage (50/50)	-	-	-
63	8330	Line Maintenance	0	3.5	Storage (50/50)	-	-	-
64	8340	Compressor Station Equip Maint	5,064	3.5	Storage (50/50)	-	2,532	2,532
65	8350	Meas. & Regul. Station Equip Maint	0	3.5	Storage (50/50)	-	-	-
66	8360	Purification Equipment Maintenance	736	3.5	Storage (50/50)	-	368	368
67	8370	Other Equipment Maintenance	0	3.5	Storage (50/50)	-	-	-
68		Total Underground Storage Expense	324,693			0	162,346	162,346
69								
70		Transmission:						
71		Operation						
72	8500	Op., Sup., & Eng.	0	2.0	Demand	-	-	-
73	8510	System Control & Load Dispatching	0	2.0	Demand	-	-	-
74	8520	Communication Systems Expense	0	2.0	Demand	-	-	-
75	8530	Compressor Station Labor Expense	0	2.0	Demand	-	-	-
76	8540	Compressor Station Fuel Gas	0	2.0	Demand	-	-	-
77	8550	Compressor Station Fuel & Power	0	2.0	Demand	-	-	-
78	8560	Mains Expense	499,729	2.0	Demand	-	499,729	-
79	8570	Meas. & Regul. Station Expenses	103,068	2.0	Demand	-	103,068	-
80	8580	LDC Payment	0	2.0	Demand	-	-	-
81	8581	LDC Payment - A&G	0	2.0	Demand	-	-	-
82	8590	Other Expenses	0	2.0	Demand	-	-	-
83	8600	Rents	0	2.0	Demand	-	-	-
84		Maintenance						
85	8610	Maint. Sup., & Eng.	0	2.0	Demand	-	-	-
86	8620	Structures and Improvements	0	2.0	Demand	-	-	-
87	8630	Mains	20,015	2.0	Demand	-	20,015	-
88	8640	Compressor Station Equip Maint	0	2.0	Demand	-	-	-
89	8650	Meas. & Regul. Station Equip Maint	979	2.0	Demand	-	979	-
90	8660	Communication Equipment Maintenance	0	2.0	Demand	-	-	-
91	8670	Other Equipment Maintenance	0	2.0	Demand	-	-	-
92		Total Transmission Expense	623,792			0	623,792	0
93								

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

CLASSIFICATION OF O&M EXPENSE

Line No.	Acct. No.		Test Year $	Classif. Factor	Classif. Basis	Customer $	Demand $	Commodity $
94		Distribution:						
95		Operation						
96	8700	Supervision and Engineering	1,386,160	10.0	Composite of Accts. 871-879 & 886-893	1,269,141	113,552	3,467
97	8710	Distribution Load Dispatching	293	3.0	Commodity	-	-	293
98	8711	Odorization	3,303	3.0	Commodity	-	-	3,303
99	8720	Compressor Station Labor & Expenses	0	3.0	Commodity	-	-	-
100	8740	Mains & Services	2,874,065	4.1	Mains & Services	2,588,656	287,209	-
101	8750	Measuring and Regulating Station Exp. - Gen	266,973	12.0	Composite of Accts. 374-379	226,422	38,551	-
102	8760	Measuring and Regulating Station Exp. - Ind.	23,764	1.0	Customer	23,764	-	-
103	8770	Measuring and Regulating Sta. Exp. - City Gate	77,553	12.0	Composite of Accts. 374-379	66,354	11,199	-
104	8780	Meters and House Regulator Expense	818,400	1.0	Customer	818,400	-	-
105	8790	Customer Installations Expense	20,384	1.0	Customer	20,384	-	-
106	8800	Other Expense	139,277	10.0	Composite of Accts. 871-879 & 886-893	127,519	11,409	348
107	8810	Rents	428,101	10.0	Composite of Accts. 871-879 & 886-893	391,961	35,069	1,071
108		Maintenance						
109	8850	Maintenance Supervision and Engineering	2,748	10.0	Composite of Accts. 871-879 & 886-893	2,516	225	7
110	8860	Maintenance of Structures and Improvements	4,337	12.0	Composite of Accts. 374-379	3,710	626	-
111	8870	Maintenance of Mains	36,400	12.0	Composite of Accts. 374-379	31,144	5,256	-
112	8890	Maintenance of compressor station equipment	6,958	3.0	Commodity	-	-	6,958
113	8900	Maint. of Measuring and Regulating Station Equip. - General	6,189	12.0	Composite of Accts. 374-379	5,295	894	-
114	8910	Maint. of Measuring and Regulating Station Equip. - Industrial	4,695	1.0	Customer	4,695	-	-
115	8920	Maint. of Measuring and Regulating Station Equip. - City Gate	13,741	12.0	Composite of Accts. 374-379	11,757	1,984	-
116	8930	Maintenance of Services	48,651	1.0	Customer	48,651	-	-
117	8940	Maintenance of Meters and House Regulators	14,595	1.0	Customer	14,595	-	-
118	8950	Maintenance of Other Equipment	0	10.0	Composite of Accts. 871-879 & 886-893	-	-	-
119		Total Distribution	6,176,566			5,655,144	505,876	15,446
120								
121		Customer Accounts:						
122	9010	Supervision	(202)	1.0	Customer	(202)	-	-
123	9020	Meter Reading Expense	1,321,394	1.0	Customer	1,321,394	-	-
124	9030	Customer Records and Collection Expenses	357,551	1.0	Customer	357,551	-	-
125	9040	Uncollectible Accounts	324,479	1.0	Customer	324,479	-	-
126	9050	Miscellaneous Customer Accounts Expenses	0	1.0	Customer	-	-	-
127		Total Customer Accounts	2,003,223			2,003,223	0	0
128								
129		Customer Service and Information:						
130	9070	Supervision	0	1.0	Customer	-	-	-
131	9080	Customer Assistance Expenses	0	1.0	Customer	-	-	-
132	9090	Informational and Instructional Advertising Expenses	133,918	1.0	Customer	133,918	-	-
133	9100	Miscellaneous Customer Service and Informational Expenses	0	1.0	Customer	-	-	-
134		Total Customer Service and Information	133,918			133,918	0	0
135								
136		Sales:						
137	9110	Supervision	218,372	1.0	Customer	218,372	-	-
138	9120	Demonstrating and Selling Expenses	13,909	1.0	Customer	13,909	-	-
139	9130	Advertising Expenses	10,934	1.0	Customer	10,934	-	-
140	9160	Miscellaneous Sales Expenses	0	1.0	Customer	-	-	-
141		Total Sales	243,215			243,215	0	0
142								
143		Administrative & General:						
144		Operation						
145	9200	Administrative and General Salaries	394,702	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	368,971	24,940	791
146	9210	Office Supplies and Expenses	(1,391)	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	(1,300)	(88)	(3)
147	9220	Administrative Expenses Transferred - Customer Support	-	1.0	Customer	-	-	-
148	9220	Administrative Expenses Transferred - General	13,071,350	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	12,219,213	825,946	26,191
149	9230	Outside Services Employed	156,905	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	146,646	10,041	318
150	9240	Property Insurance	74,698	5.7	Net Plant	63,697	10,083	916
151	9250	Injuries and Damages	18,686	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	17,467	1,181	37
152	9260	Employee Pensions and Benefits	3,259,740	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	3,046,582	206,607	6,551
153	9270	Franchise Requirements	2,840	1.0	Customer	2,840	-	-
154	9280	Regulatory Commission Expenses	217,507	1.0	Customer	217,507	-	-
155	930.1	General Advertising Expenses	-	1.0	Customer	-	-	-
156	930.2	Miscellaneous General Expense	(22,371)	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	(20,912)	(1,414)	(45)
157	9310	Rents	7,618	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	7,121	481	15
158		Maintenance						
159	9320	Maintenance of General Plant	0	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	-	-	-
160		Total A&G	17,192,284			16,078,732	1,077,776	34,774
161								
162		TOTAL O&M EXPENSE	116,962,934			24,115,231	2,369,862	90,477,819

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

CLASSIFICATION OF DEPRECIATION EXPENSE

Line No.	Acct. No.		Test Year $	Classif. Factor	Classif. Basis	Customer $	Demand $	Commodity $
1		Intangible Plant:						
2								
3	30100	Organization	-	5.4	P, S, T & D Plant	-	-	-
4	30200	Franchises & Consents	-	5.4	P, S, T & D Plant	-	-	-
5	30300	Misc Intangible Plant	-	99.0	-	-	-	-
6								
7		Total Intangible Plant:	0			0	0	0
8								
9		Production Plant:						
10								
11	32520	Producing Leaseholds	51	2.0	Demand	-	51	-
12	32540	Rights of Ways	1,699	2.0	Demand	-	1,699	-
13	33100	Production Gas Wells Equipment	-	2.0	Demand	-	-	-
14	33201	Field Lines	-	2.0	Demand	-	-	-
15	33202	Tributary Lines	-	2.0	Demand	-	-	-
16	33400	Field Meas. & Reg. Sta. Equip	3,001	2.0	Demand	-	3,001	-
17	33600	Purification Equipment	996	2.0	Demand	-	996	-
18								
19		Total Production Plant	5,747			0	5,747	0
20								
21		Storage Plant:						
22								
23	35010	Land	-	3.5	Storage (50/50)	-	-	-
24	35020	Rights of Way	-	3.5	Storage (50/50)	-	-	-
25	35100	Structures and Improvements	293	3.5	Storage (50/50)	-	146	146
26	35102	Compression Station Equipment	1,704	3.5	Storage (50/50)	-	852	852
27	35103	Meas. & Reg. Sta. Structues	-	3.5	Storage (50/50)	-	-	-
28	35104	Other Structures	-	3.5	Storage (50/50)	-	-	-
29	35200	Wells \ Rights of Way	82,144	3.5	Storage (50/50)	-	41,072	41,072
30	35201	Well Construction	19,039	3.5	Storage (50/50)	-	9,519	9,519
31	35202	Well Equipment	-	3.5	Storage (50/50)	-	-	-
32	35203	Cushion Gas	29,356	3.5	Storage (50/50)	-	14,678	14,678
33	35210	Leaseholds	-	3.5	Storage (50/50)	-	-	-
34	35211	Storage Rights	382	3.5	Storage (50/50)	-	191	191
35	35301	Field Lines	-	3.5	Storage (50/50)	-	-	-
36	35302	Tributary Lines	-	3.5	Storage (50/50)	-	-	-
37	35400	Compressor Station Equipment	15,086	3.5	Storage (50/50)	-	7,543	7,543
38	35500	Meas & Reg. Equipment	1,742	3.5	Storage (50/50)	-	871	871
39	35600	Purification Equipment	110	3.5	Storage (50/50)	-	55	55
40								
41		Total Storage Plant	149,856			0	74,928	74,928
42								
43		Transmission:						
44								
45	36510	Land & Land Rights	-	2.0	Demand	-	-	-
46	36520	Rights of Way	13,066	2.0	Demand	-	13,066	-
47	36602	Structures & Improvements	887	2.0	Demand	-	887	-
48	36603	Other Structues	734	2.0	Demand	-	734	-
49	36700	Mains Cathodic Protection	19,980	2.0	Demand	-	19,980	-
50	36701	Mains - Steel	578,413	2.0	Demand	-	578,413	-
51	36900	Meas. & Reg. Equipment	12,003	2.0	Demand	-	12,003	-
52	36901	Meas. & Reg. Equipment	45,879	2.0	Demand	-	45,879	-
53								
54		Total Transmission Plant	670,963			0	670,963	0
55								
56		Distribution:						
57								
58	37400	Land & Land Rights	-	4.0	Mains	-	-	-
59	37401	Land	-	4.0	Mains	-	-	-
60	37402	Land Rights	4,289	4.0	Mains	3,670	619	-
61	37403	Land Other	-	4.0	Mains	-	-	-
62	37500	Structures & Improvements	7,321	4.0	Mains	6,264	1,057	-
63	37501	Structures & Improvements T.B.	2,168	4.0	Mains	1,855	313	-
64	37502	Land Rights	-	4.0	Mains	-	-	-
65	37503	Improvements	86	4.0	Mains	73	12	-
66	37600	Mains Cathodic Protection	556,692	4.0	Mains	476,305	80,388	-
67	37601	Mains - Steel	2,345,591	4.0	Mains	2,006,883	338,709	-
68	37602	Mains - Plastic	1,564,702	4.0	Mains	1,338,755	225,946	-
69	37800	Meas & Reg. Sta. Equip - General	161,845	4.0	Mains	138,474	23,371	-
70	37900	Meas & Reg. Sta. Equip - City Gate	58,890	4.0	Mains	50,386	8,504	-
71	37905	Meas & Reg. Sta. Equipment T.b.	36,252	4.0	Mains	31,017	5,235	-
72	38000	Services	4,473,918	1.0	Customer	4,473,918	-	-
73	38100	Meters	1,773,300	1.0	Customer	1,773,300	-	-
74	38200	Meter Installaitons	2,132,918	1.0	Customer	2,132,918	-	-
75	38300	House Regulators	235,602	1.0	Customer	235,602	-	-
76	38400	House Reg. Installations	3,841	1.0	Customer	3,841	-	-
77	38500	Ind. Meas. & Reg. Sta. Equipment	157,854	1.0	Customer	157,854	-	-
78	38600	Other Prop. On Cust. Prem	-	99.0	-	-	-	-
79								
80		Total Distribution Plant	13,515,271			12,831,117	684,154	0

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

CLASSIFICATION OF DEPRECIATION EXPENSE

Line No.	Acct. No.		Test Year $	Classif. Factor	Classif. Basis	Customer $	Demand $	Commodity $
81								
82		General:						
83								
84	38900	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
85	39000	Structures Frame	131,359	5.4	P, S, T & D Plant	108,953	20,733	1,673
86	39002	Improvements	-	5.4	P, S, T & D Plant	-	-	-
87	39003	Air Conditioning Equipment	26,900	5.4	P, S, T & D Plant	22,311	4,246	343
88	39004	Improvement to leased Premises	-	5.4	P, S, T & D Plant	-	-	-
89	39009	Office Furniture & Equipment	30,239	5.4	P, S, T & D Plant	25,081	4,773	385
90	39100	Remittance Processing Equip	96,791	5.4	P, S, T & D Plant	80,281	15,277	1,233
91	39103	Transportation Equipment	-	5.4	P, S, T & D Plant	-	-	-
92	39200	Trucks	-	5.4	P, S, T & D Plant	-	-	-
93	39201	Trailers	-	5.4	P, S, T & D Plant	-	-	-
94	39202	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
95	39400	Power Operated Equipment	135,043	5.4	P, S, T & D Plant	112,009	21,315	1,720
96	39603	Backhoes	8,234	5.4	P, S, T & D Plant	6,830	1,300	105
97	39604	Welders	9,621	5.4	P, S, T & D Plant	7,980	1,519	123
98	39605	Communication Equipment	5,096	5.4	P, S, T & D Plant	4,227	804	65
99	39700	Communication Equipment - Mobile Radios	24,702	5.4	P, S, T & D Plant	20,488	3,899	315
100	39701	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
101	39702	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
102	39705	Miscellaneous Equipment	8,360	5.4	P, S, T & D Plant	6,934	1,320	106
103	39800	Other Tangible Property	125,081	5.4	P, S, T & D Plant	103,746	19,742	1,593
104	39900	Other Tangible Property - Servers - H/W	-	5.4	P, S, T & D Plant	-	-	-
105	39901	Other Tangible Property - Servers - S/W	-	5.4	P, S, T & D Plant	-	-	-
106	39902	Other Tangible Property - Network - H/W	-	5.4	P, S, T & D Plant	-	-	-
107	39903	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
108	39904	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
109	39905	Other Tang. Property - PC Hardware	-	5.4	P, S, T & D Plant	-	-	-
110	39906	Other Tang. Property - PC Software	41,450	5.4	P, S, T & D Plant	34,380	6,542	528
111	39907	Other Tang. Property - Mainframe S/W	-	5.4	P, S, T & D Plant	-	-	-
112	39908	Other Tang. Property - Application Software	-	5.4	P, S, T & D Plant	-	-	-
113		AR 15 general plant amortization	255,335	5.4	P, S, T & D Plant	211,782	40,301	3,252
114								
115								
116		Total General Plant	898,212			745,002	141,771	11,439
117								
118		TOTAL DIRECT DEPRECIATION EXPENSE	15,240,048			13,576,119	1,577,563	86,366
119								
120		Kentucky Mid-States General Office:						
121								
122		Intangible Plant:						
123								
124	30100	Organization	-	5.4	P, S, T & D Plant	-	-	-
125	30200	Franchises & Consents	-	5.4	P, S, T & D Plant	-	-	-
126	30300	Misc Intangible Plant	-	5.4	P, S, T & D Plant	-	-	-
127								
128		Total Intangible Plant:	0			0	0	0
129								
130		General:						
131								
132	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
133	39001	Structures Frame	2,696	5.4	P, S, T & D Plant	2,236	425	34
134	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-
135	39009	Improvement to leased Premises	-	5.4	P, S, T & D Plant	-	-	-
136	39100	Office Furniture & Equipment	2,095	5.4	P, S, T & D Plant	1,738	331	27
137	39200	Transportation Equipment	-	5.4	P, S, T & D Plant	-	-	-
138	39300	Stores Equipment	162	5.4	P, S, T & D Plant	134	26	2
139	39400	Tools, Shop & Garage Equipment	4,710	5.4	P, S, T & D Plant	3,907	743	60
140	39600	Power Operated Equipment	605	5.4	P, S, T & D Plant	502	96	8
141	39700	Communication Equipment	1,370	5.4	P, S, T & D Plant	1,136	216	17
142	39800	Miscellaneous Equipment	20,721	5.4	P, S, T & D Plant	17,186	3,270	264
143	39900	Other Tangible Property	-	5.4	P, S, T & D Plant	-	-	-
144	39901	Other Tangible Property - Servers - H/W	16,430	5.4	P, S, T & D Plant	13,628	2,593	209
145	39902	Other Tangible Property - Servers - S/W	-	5.4	P, S, T & D Plant	-	-	-
146	39903	Other Tangible Property - Network - H/W	-	5.4	P, S, T & D Plant	-	-	-
147	39906	Other Tang. Property - PC Hardware	65,546	5.4	P, S, T & D Plant	54,366	10,346	835
148	39907	Other Tang. Property - PC Software	-	5.4	P, S, T & D Plant	-	-	-
149	39908	Other Tang. Property - Mainframe S/W	-	5.4	P, S, T & D Plant	-	-	-
150								
151								
152		Total General Plant	114,335			94,833	18,046	1,456

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

CLASSIFICATION OF DEPRECIATION EXPENSE

Line No.	Acct. No.		Test Year $	Classif. Factor	Classif. Basis	Customer $	Demand $	Commodity $
153								
154		Shared Services General Office:						
155								
156		General:						
157								
158	39000	Structures & Improvements	225	5.4	P, S, T & D Plant	187	36	3
159	39005	G-Structures & Improvements	4,283	5.4	P, S, T & D Plant	3,553	676	55
160	39009	Improvement to leased Premises	20,929	5.4	P, S, T & D Plant	17,359	3,303	267
161	39100	Office Furniture & Equipment	21,361	5.4	P, S, T & D Plant	17,718	3,372	272
162	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
163	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
164	39104	G-Office Furniture & Equip.	36	5.4	P, S, T & D Plant	30	6	0
165	39200	Transportation Equipment	1,594	5.4	P, S, T & D Plant	1,322	252	20
166	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
167	39400	Tools, Shop & Garage Equipment	1,246	5.4	P, S, T & D Plant	1,034	197	16
168	39500	Laboratory Equipment	230	5.4	P, S, T & D Plant	191	36	3
169	39700	Communication Equipment	8,744	5.4	P, S, T & D Plant	7,252	1,380	111
170	39800	Miscellaneous Equipment	371	5.4	P, S, T & D Plant	307	58	5
171	39900	Other Tangible Property	1,246	5.4	P, S, T & D Plant	1,034	197	16
172	39901	Other Tangible Property - Servers -	142,944	5.4	P, S, T & D Plant	118,562	22,562	1,820
173	39902	Other Tangible Property - Servers -	75,232	5.4	P, S, T & D Plant	62,399	11,874	958
174	39903	Other Tangible Property - Network -	17,633	5.4	P, S, T & D Plant	14,625	2,783	225
175	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
176	39905	Other Tangible Property - MF - Hardv	-	5.4	P, S, T & D Plant	-	-	-
177	39906	Other Tang. Property - PC Hardware	12,779	5.4	P, S, T & D Plant	10,599	2,017	163
178	39907	Other Tang. Property - PC Software	3,650	5.4	P, S, T & D Plant	3,028	576	46
179	39908	Other Tang. Property - Mainframe S/W	376,695	5.4	P, S, T & D Plant	312,441	59,456	4,797
180	39909	Other Tang. Property - Application S	-	5.4	P, S, T & D Plant	-	-	-
181	39924	Other Tang. Property - General Start	-	5.4	P, S, T & D Plant	-	-	-
182								
183								
184		Total General Plant	689,199			571,641	108,781	8,777
185								
186		Shared Services Customer Support:						
187								
188		General:						
189								
190	38900	Land	-	5.4	P, S, T & D Plant	-	-	-
191	38910	CKV-Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
192	39000	Structures & Improvements	25,234	5.4	P, S, T & D Plant	20,930	3,983	321
193	39009	Improvement to leased Premises	10,518	5.4	P, S, T & D Plant	8,724	1,660	134
194	39010	CKV-Structures & Improvements	2,760	5.4	P, S, T & D Plant	2,289	436	35
195	39100	Office Furniture & Equipment	2,634	5.4	P, S, T & D Plant	2,185	416	34
196	39700	Communication Equipment	6,558	5.4	P, S, T & D Plant	5,440	1,035	84
197	39710	CKV-Communication Equipment	120	5.4	P, S, T & D Plant	99	19	2
198	39800	Miscellaneous Equipment	91	5.4	P, S, T & D Plant	76	14	1
199	39900	Other Tangible Property	-	5.4	P, S, T & D Plant	-	-	-
200	39901	Other Tangible Property - Servers - H/W	28,635	5.4	P, S, T & D Plant	23,750	4,520	365
201	39902	Other Tangible Property - Servers - S/W	13,570	5.4	P, S, T & D Plant	11,255	2,142	173
202	39903	Other Tangible Property - Network - H/W	9,438	5.4	P, S, T & D Plant	7,828	1,490	120
203	39906	Other Tang. Property - PC Hardware	6,134	5.4	P, S, T & D Plant	5,087	968	78
204	39907	Other Tang. Property - PC Software	1,922	5.4	P, S, T & D Plant	1,594	303	24
205	39908	Other Tang. Property - Mainframe S/W	366,672	5.4	P, S, T & D Plant	304,128	57,874	4,669
206	39910	CKV-Other Tangible Property	130	5.4	P, S, T & D Plant	108	21	2
207	39916	CKV-Oth Tang Prop-PC Hardware	135	5.4	P, S, T & D Plant	112	21	2
208	39917	CKV-Oth Tang Prop-PC Software	48	5.4	P, S, T & D Plant	40	8	1
209	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-
210								
211								
212		Total General Plant	474,598			393,645	74,909	6,044
213								
214		TOTAL DEPRECIATION EXPENSE	16,518,181			14,636,238	1,779,300	102,643

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

CLASSIFICATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX

		Test Year $	Classif. Factor	Classif. Basis	Customer $	Demand $	Commodity $
1	Taxes Other Than Income						
2							
3	Non Revenue Related:						
4	Payroll Related	366,438	9.1	Allocated O&M Expenses	75,552	7,425	283,462
5	Property Related	3,403,337	5.4	P, S, T & D Plant	2,822,824	537,172	43,341
6	DOT transmission User Tax	52,950	9.1	Allocated O&M Expenses	10,917	1,073	40,960
7	Other	620,764	9.1	Allocated O&M Expenses	127,988	12,578	480,198
8	Total Non Revenue Related:	4,443,489			3,037,281	558,248	847,960
9							
10	Revenue Related:						
11	State Gross Receipts - Tax	0	99.0	-	-	-	-
12	Local Gross Receipts - Tax	0	99.0	-	-	-	-
13	Public Service Commission Assessment	219,194	3.0	Commodity	-	-	219,194
14	Total Revenue Related:	219,194			0	0	219,194
15							
16	Total Taxes, Other Than Income	4,662,683			3,037,281	558,248	1,067,154
17							
18							
19	Interest Expense	7,536,846	13.0	Rate Base	6,086,012	974,616	476,218

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

SUMMARY OF CLASSIFICATION

		Test Year $	Classif. Factor	Classif. Basis	Customer $	Demand $	Commodity $
7	Operating Revenues	155,374,969			55,702,942	6,935,662	92,736,365
9	Operating Expenses:						
11	Operating & Maintenance	116,962,934			24,115,231	2,369,892	90,477,810
12	Depreciation & Amortization	16,518,181			14,636,238	1,779,300	102,643
13	Taxes Other Than Income	4,662,683			3,037,281	558,248	1,067,154
15	Total Operating Expenses	138,143,797			41,788,750	4,707,439	91,647,608
17	Income Before Taxes	17,231,172			13,914,192	2,228,223	1,088,757
19	Interest Expense	7,536,846			6,086,012	974,616	476,218
21	Income Taxes:						
23	State Income Taxes	581,660	6.00%		469,691	75,216	36,752
24	Federal Income Taxes	3,189,433	35.00%		2,575,471	412,437	201,525
25	Total Deferred Income Taxes	0			0	0	0
26	Amortization of ITC	0			0	0	0
28	Total Income Taxes	3,771,093			3,045,162	487,653	238,278
30	Net Income	13,460,079			10,869,030	1,740,569	850,479
32	Total Rate Base	252,914,292			204,228,603	32,705,224	15,980,465
34	Rate of Return	5.3220%			5.3220%	5.3220%	5.3220%

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF PLANT IN SERVICE

Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Customer: Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
1		Intangible Plant:							
2									
3	30100	Organization	6.2	P, S, T & D Plant - Customer	6,909	5,587	1,106	56	159
4	30200	Franchises & Consents	6.2	P, S, T & D Plant - Customer	99,409	80,392	15,920	805	2,292
5	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-
6									
7		Total Intangible Plant:			106,318	85,979	17,026	861	2,452
8									
9		Production Plant:							
10									
11	32520	Producing Leaseholds	99.0	-	0	-	-	-	-
12	32540	Rights of Ways	99.0	-	0	-	-	-	-
13	33100	Production Gas Wells Equipment	99.0	-	0	-	-	-	-
14	33201	Field Lines	99.0	-	0	-	-	-	-
15	33202	Tributary Lines	99.0	-	0	-	-	-	-
16	33400	Field Meas. & Reg. Sta. Equip	99.0	-	0	-	-	-	-
17	33600	Purification Equipment	99.0	-	0	-	-	-	-
18									
19		Total Production Plant			0	0	0	0	0
20									
21		Storage Plant:							
22									
23	35010	Land	99.0	-	0	-	-	-	-
24	35020	Rights of Way	99.0	-	0	-	-	-	-
25	35100	Structures and Improvements	99.0	-	0	-	-	-	-
26	35102	Compression Station Equipment	99.0	-	0	-	-	-	-
27	35103	Meas. & Reg. Sta. Structues	99.0	-	0	-	-	-	-
28	35104	Other Structures	99.0	-	0	-	-	-	-
29	35200	Wells \ Rights of Way	99.0	-	0	-	-	-	-
30	35201	Well Construction	99.0	-	0	-	-	-	-
31	35202	Well Equipment	99.0	-	0	-	-	-	-
32	35203	Cushion Gas	99.0	-	0	-	-	-	-
33	35210	Leaseholds	99.0	-	0	-	-	-	-
34	35211	Storage Rights	99.0	-	0	-	-	-	-
35	35301	Field Lines	99.0	-	0	-	-	-	-
36	35302	Tributary Lines	99.0	-	0	-	-	-	-
37	35400	Compressor Station Equipment	99.0	-	0	-	-	-	-
38	35500	Meas & Reg. Equipment	99.0	-	0	-	-	-	-
39	35600	Purification Equipment	99.0	-	0	-	-	-	-
40									
41		Total Storage Plant			0	0	0	0	0
42									
43		Transmission:							
44									
45	36510	Land & Land Rights	99.0	-	0	-	-	-	-
46	36520	Rights of Way	99.0	-	0	-	-	-	-
47	36602	Structures & Improvements	99.0	-	0	-	-	-	-
48	36603	Other Structures	99.0	-	0	-	-	-	-
49	36700	Mains Cathodic Protection	99.0	-	0	-	-	-	-
50	36701	Mains - Steel	99.0	-	0	-	-	-	-
51	36900	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-
52	36901	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-
53									
54		Total Transmission Plant			0	0	0	0	0
55									
56		Distribution:							
57									
58	37400	Land & Land Rights	2.0	Customers	455,023	404,309	49,622	525	568
59	37401	Land	2.0	Customers	31,936	28,377	3,483	37	40
60	37402	Land Rights	2.0	Customers	216,809	192,645	23,644	250	271
61	37403	Land Other	2.0	Customers	2,382	2,116	260	3	3
62	37500	Structures & Improvements	2.0	Customers	293,532	260,817	32,011	338	366
63	37501	Structures & Improvements T.B.	2.0	Customers	86,849	77,169	9,471	100	108
64	37502	Land Rights	2.0	Customers	39,863	35,420	4,347	46	50
65	37503	Improvements	2.0	Customers	3,427	3,045	374	4	4
66	37600	Mains Cathodic Protection	2.0	Customers	9,683,755	8,604,463	1,056,043	11,163	12,086
67	37601	Mains - Steel	2.0	Customers	83,492,995	74,187,381	9,105,166	96,247	104,201
68	37602	Mains - Plastic	2.0	Customers	56,231,611	49,964,383	6,132,229	64,821	70,178
69	37800	Meas & Reg. Sta. Equip - General	2.0	Customers	4,592,130	4,080,320	500,786	5,294	5,731
70	37900	Meas & Reg. Sta. Equip - City Gate	2.0	Customers	1,944,766	1,728,014	212,083	2,242	2,427
71	37905	Meas & Reg. Sta. Equipment T.B.	2.0	Customers	1,193,241	1,060,249	130,127	1,376	1,489
72	38000	Services	2.0	Customers	98,853,417	87,836,826	10,780,267	113,954	123,371
73	38100	Meters	4.0	Meter Investment	22,574,136	13,552,204	7,593,305	704,186	714,441
74	38200	Meter Installaitons	4.0	Meter Investment	49,157,106	29,532,854	16,536,069	1,533,426	1,555,757
75	38300	House Regulators	4.0	Meter Investment	7,239,801	4,349,564	2,435,266	225,841	229,130
76	38400	House Reg. Installations	4.0	Meter Investment	154,276	92,687	51,894	4,813	4,883
77	38500	Ind. Meas. & Reg. Sta. Equipment	5.0	Direct to I & T	5,045,015	-	-	-	5,045,015
78	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-
79									
80		Total Distribution Plant			341,292,072	276,001,844	54,655,444	2,764,665	7,870,119

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF PLANT IN SERVICE

81								
82		General:						
83								
84	38900	Land & Land Rights	6.2 P, S, T & D Plant - Customer	652,110	527,359	104,431	5,282	15,038
85	39000	Structures & Improvements	6.2 P, S, T & D Plant - Customer	3,002,268	2,427,925	480,791	24,326	69,232
86	39001	Structures Frame	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
87	39002	Structures-Brick	6.2 P, S, T & D Plant - Customer	148,265	119,901	23,744	1,201	3,419
88	39003	Improvements	6.2 P, S, T & D Plant - Customer	601,354	486,313	96,302	4,871	13,867
89	39004	Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	6,189	5,005	991	50	143
90	39009	Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	1,061,150	858,149	169,936	8,596	24,470
91	39100	Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	1,223,654	989,565	196,959	9,912	28,217
92	39102	Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
93	39103	Office Machines	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
94	39200	Transportation Equipment	6.2 P, S, T & D Plant - Customer	327,993	265,247	52,526	2,657	7,563
95	39201	Trucks	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
96	39202	Trailers	6.2 P, S, T & D Plant - Customer	27,530	22,264	4,409	223	635
97	39300	Stores Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
98	39400	Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	1,822,598	1,473,929	291,876	14,764	42,029
99	39600	Power Operated Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
100	39603	Ditchers	6.2 P, S, T & D Plant - Customer	44,543	36,022	7,133	361	1,027
101	39604	Backhoes	6.2 P, S, T & D Plant - Customer	52,044	42,088	8,335	422	1,200
102	39605	Welders	6.2 P, S, T & D Plant - Customer	27,567	22,293	4,415	223	636
103	39700	Communication Equipment	6.2 P, S, T & D Plant - Customer	312,095	252,390	49,960	2,528	7,197
104	39701	Communication Equipment - Mobile Radio	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
105	39702	Communication Equipment - Fixed Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
106	39705	Communication Equip. - Telemetering	6.2 P, S, T & D Plant - Customer	55,004	44,462	8,808	446	1,268
107	39800	Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	2,091,794	1,691,628	334,966	16,945	48,236
108	39900	Other Tangible Property	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
109	39901	Other Tangible Property - Servers - H/	6.2 P, S, T & D Plant - Customer	145,971	118,046	23,376	1,182	3,366
110	39902	Other Tangible Property - Servers - S/	6.2 P, S, T & D Plant - Customer	61,018	49,345	9,772	494	1,407
111	39903	Other Tangible Property - Network - H/	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
112	39904	Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
113	39905	Other Tangible Property - MF - Hardwa	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
114	39906	Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	162,277	131,233	25,988	1,316	3,742
115	39907	Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
116	39908	Other Tang. Property - Mainframe S/W	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
117	39909	Other Tang. Property - Application Sof	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
118	39924	Other Tang. Property - General Startu	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
119								
120		Total General Plant		11,825,423	9,563,183	1,893,756	95,793	272,692
121								
122		TOTAL DIRECT PLANT		353,223,813	285,651,006	56,568,225	2,861,319	8,145,263
123								
124		CWIP w/o AFUDC	6.2 P, S, T & D Plant - Customer	6,593,611	5,332,233	1,055,919	53,412	152,047
125								
126		Kentucky Mid-States General Office:						
127								
128		Intangible Plant						
129								
130	30100	Organization	6.2 P, S, T & D Plant - Customer	76,856	62,153	12,308	623	1,772
131	30200	Franchises & Consents	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
132	30300	Misc Intangible Plant	6.2 P, S, T & D Plant - Customer	460,178	372,145	73,694	3,728	10,612
133								
134		Total Intangible Plant		537,034	434,297	86,002	4,350	12,384
135								
136		General:						
137								
138	37400	Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
139	39001	Structures Frame	6.2 P, S, T & D Plant - Customer	74,379	60,150	11,911	603	1,715
140	39004	Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	2,393	1,936	383	19	55
141	39009	Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	16,106	13,025	2,579	130	371
142	39100	Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	35,552	28,759	5,694	286	813
143	39200	Transportation Equipment	6.2 P, S, T & D Plant - Customer	1,704	1,378	273	14	39
144	39300	Stores Equipment	6.2 P, S, T & D Plant - Customer	1,726	1,396	276	14	40
145	39400	Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	59,125	47,814	9,468	479	1,363
146	39600	Power Operated Equipment	6.2 P, S, T & D Plant - Customer	8,102	6,552	1,297	66	187
147	39700	Communication Equipment	6.2 P, S, T & D Plant - Customer	15,759	12,744	2,524	128	363
148	39800	Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	342,149	276,685	54,793	2,772	7,899
149	39900	Other Tangible Property	6.2 P, S, T & D Plant - Customer	31,932	25,824	5,114	259	736
150	39901	Other Tangible Property - Servers - H/W	6.2 P, S, T & D Plant - Customer	142,752	115,443	22,861	1,156	3,292
151	39902	Other Tangible Property - Servers - S/W	6.2 P, S, T & D Plant - Customer	3,431	2,775	549	28	79
152	39903	Other Tangible Property - Network - H/W	6.2 P, S, T & D Plant - Customer	89,602	72,623	14,381	727	2,071
153	39906	Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	283,571	229,323	45,412	2,297	6,539
154	39907	Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
155	39908	Other Tang. Property - Mainframe S/W	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
156								
157		Total General Plant		1,109,484	897,236	177,676	8,967	25,584
158								
159		CWIP w/o AFUDC	6.2 P, S, T & D Plant - Customer	140,323	113,479	22,472	1,137	3,236

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF PLANT IN SERVICE

160								
161		Shared Services General Office:						
162								
163		General:						
164								
165	39000	Structures & Improvements	6.2 P, S, T & D Plant - Customer	5,745	4,648	920	47	132
166	39005	G-Structures & Improvements	6.2 P, S, T & D Plant - Customer	106,389	86,020	17,034	862	2,463
167	39009	Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	428,490	346,518	68,620	3,471	9,881
168	39100	Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	439,755	355,628	70,424	3,562	10,141
169	39102	Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
170	39103	Office Machines	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
171	39104	G-Office Furniture & Equip.	6.2 P, S, T & D Plant - Customer	741	599	119	6	17
172	39200	Transportation Equipment	6.2 P, S, T & D Plant - Customer	4,564	3,691	731	37	105
173	39300	Stores Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
174	39400	Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	11,729	9,486	1,878	95	270
175	39500	Laboratory Equipment	6.2 P, S, T & D Plant - Customer	1,947	1,574	312	16	45
176	39700	Communication Equipment	6.2 P, S, T & D Plant - Customer	131,763	106,556	21,101	1,067	3,038
177	39800	Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	17,871	14,452	2,862	145	412
178	39900	Other Tangible Property	6.2 P, S, T & D Plant - Customer	7,470	6,041	1,196	61	172
179	39901	Other Tangible Property - Servers - H/W	6.2 P, S, T & D Plant - Customer	1,383,952	1,119,198	221,630	11,211	31,914
180	39902	Other Tangible Property - Servers - S/W	6.2 P, S, T & D Plant - Customer	712,457	576,162	114,095	5,771	16,428
181	39903	Other Tangible Property - Network - H/W	6.2 P, S, T & D Plant - Customer	167,805	135,461	26,825	1,357	3,863
182	39904	Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
183	39905	Other Tangible Property - MF - Hardware	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
184	39906	Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	120,940	97,804	19,368	980	2,789
185	39907	Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	44,714	36,160	7,161	362	1,031
186	39908	Other Tang. Property - Mainframe S/W	6.2 P, S, T & D Plant - Customer	4,778,727	3,864,542	765,276	38,719	110,196
187	39909	Other Tang. Property - Application Software	6.2 P, S, T & D Plant - Customer	120,368	97,341	19,276	976	2,776
188	39924	Other Tang. Property - General Startup Costs	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
189								
190		Total General Plant		8,485,108	6,861,881	1,358,828	68,734	195,665
191								
192		CWIP w/o AFUDC	6.2 P, S, T & D Plant - Customer	296,807	240,027	47,531	2,404	6,844
193								
194		Shared Services Customer Support:						
195								
196		General:						
197								
198	38900	Land	6.2 P, S, T & D Plant - Customer	136,312	110,235	21,829	1,104	3,143
199	38910	CKV-Land & Land Rights	6.2 P, S, T & D Plant - Customer	12,435	10,058	1,991	101	287
200	39000	Structures & Improvements	6.2 P, S, T & D Plant - Customer	626,686	506,799	100,359	5,077	14,451
201	39009	Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	215,025	173,890	34,435	1,742	4,958
202	39010	CKV-Structures & Improvements	6.2 P, S, T & D Plant - Customer	68,535	55,424	10,975	555	1,580
203	39100	Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	54,214	43,843	8,682	439	1,250
204	39700	Communication Equipment	6.2 P, S, T & D Plant - Customer	98,188	79,404	15,724	795	2,264
205	39710	CKV-Communication Equipment	6.2 P, S, T & D Plant - Customer	1,790	1,447	287	14	41
206	39800	Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	4,522	3,657	724	37	104
207	39900	Other Tangible Property	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
208	39901	Other Tangible Property - Servers - H/W	6.2 P, S, T & D Plant - Customer	275,526	222,817	44,124	2,232	6,354
209	39902	Other Tangible Property - Servers - S/W	6.2 P, S, T & D Plant - Customer	128,194	103,670	20,529	1,038	2,956
210	39903	Other Tangible Property - Network - H/W	6.2 P, S, T & D Plant - Customer	91,920	74,335	14,720	745	2,120
211	39906	Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	59,237	47,905	9,486	480	1,366
212	39907	Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	24,026	19,430	3,848	195	554
213	39908	Other Tang. Property - Mainframe S/W	6.2 P, S, T & D Plant - Customer	4,633,774	3,747,318	742,065	37,536	106,854
214	39910	CKV-Other Tangible Property	6.2 P, S, T & D Plant - Customer	784	634	126	6	18
215	39916	CKV-Oth Tang Prop-PC Hardware	6.2 P, S, T & D Plant - Customer	1,278	1,034	205	10	29
216	39917	CKV-Oth Tang Prop-PC Software	6.2 P, S, T & D Plant - Customer	597	482	96	5	14
217	39924	Other Tang. Property - General Startup Costs	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
218								
219		Total General Plant		6,433,044	5,202,383	1,030,205	52,111	148,345
220								
221		CWIP w/o AFUDC	6.2 P, S, T & D Plant - Customer	54,062	43,720	8,658	438	1,247
222								
223		TOTAL PLANT IN SERVICE - CUSTOMER		369,768,462	299,046,803	59,218,935	2,995,502	8,527,240
224								
225		TOTAL CWIP W/O AFUDC - CUSTOMER		7,054,803	5,729,458	1,134,580	57,391	163,374

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF PLANT IN SERVICE

Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
				Demand					
226		Intangible Plant							
227									
228	30100	Organization	6.4	P, S, T & D Plant - Demand	1,315	563	253	23	477
229	30200	Franchises & Consents	6.4	P, S, T & D Plant - Demand	18,917	8,094	3,638	328	6,857
230	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-
231									
232		Total Intangible Plant			20,232	8,657	3,891	350	7,334
233									
234		Production Plant							
235									
236	32520	Producing Leaseholds	3.0	Peak Day	2,353	1,007	452	41	853
237	32540	Rights of Ways	3.0	Peak Day	83,422	35,695	16,044	1,444	30,239
238	33100	Production Gas Wells Equipment	3.0	Peak Day	3,492	1,494	672	60	1,266
239	33201	Field Lines	3.0	Peak Day	47,163	20,180	9,070	817	17,096
240	33202	Tributary Lines	3.0	Peak Day	528,218	226,017	101,567	9,146	191,469
241	33400	Field Meas. & Reg. Sta. Equip	3.0	Peak Day	192,384	82,319	36,999	3,331	69,736
242	33600	Purification Equipment	3.0	Peak Day	44,369	18,985	8,533	768	16,083
243									
244		Total Production Plant			901,402	385,698	173,358	15,606	326,741
245									
246		Storage Plant:							
247									
248	35010	Land	3.0	Peak Day	130,563	55,866	25,110	2,260	47,327
249	35020	Rights of Way	3.0	Peak Day	2,341	1,002	450	41	848
250	35100	Structures and Improvements	3.0	Peak Day	8,958	3,833	1,723	155	3,247
251	35102	Compression Station Equipment	3.0	Peak Day	76,631	32,789	14,738	1,327	27,777
252	35103	Meas. & Reg. Sta. Structues	3.0	Peak Day	11,569	4,950	2,225	200	4,194
253	35104	Other Structures	3.0	Peak Day	66,721	29,405	13,216	1,190	24,910
254	35200	Wells \ Rights of Way	3.0	Peak Day	2,221,111	950,383	427,164	38,454	805,110
255	35201	Well Construction	3.0	Peak Day	670,431	286,868	128,937	11,607	243,018
256	35202	Well Equipment	3.0	Peak Day	227,654	97,410	43,762	3,941	82,520
257	35203	Cushion Gas	3.0	Peak Day	847,416	362,598	162,975	14,671	307,172
258	35210	Leaseholds	3.0	Peak Day	89,265	38,195	17,167	1,545	32,357
259	35211	Storage Rights	3.0	Peak Day	27,307	11,684	5,252	473	9,898
260	35301	Field Lines	3.0	Peak Day	89,248	38,188	17,164	1,545	32,351
261	35302	Tributary Lines	3.0	Peak Day	104,729	44,812	20,142	1,813	37,962
262	35400	Compressor Station Equipment	3.0	Peak Day	461,723	197,565	88,799	7,994	167,366
263	35500	Meas & Reg. Equipment	3.0	Peak Day	120,442	51,535	23,163	2,085	43,658
264	35600	Purification Equipment	3.0	Peak Day	81,990	35,082	15,768	1,419	29,720
265									
266		Total Storage Plant			5,240,101	2,242,168	1,007,776	90,721	1,899,435
267									
268		Transmission:							
269									
270	36510	Land & Land Rights	3.0	Peak Day	26,970	11,540	5,187	467	9,776
271	36520	Rights of Way	3.0	Peak Day	867,772	371,308	166,890	15,024	314,551
272	36602	Structures & Improvements	3.0	Peak Day	49,002	20,967	9,424	848	17,762
273	36603	Other Structues	3.0	Peak Day	60,626	26,027	11,698	1,053	22,048
274	36700	Mains Cathodic Protection	3.0	Peak Day	406,035	173,737	78,089	7,030	147,180
275	36701	Mains - Steel	3.0	Peak Day	27,830,935	11,908,481	5,352,446	481,834	10,088,175
276	36900	Meas. & Reg. Equipment	3.0	Peak Day	578,023	247,328	111,165	10,007	209,522
277	36901	Meas. & Reg. Equipment	3.0	Peak Day	2,274,016	973,021	437,339	39,370	824,287
278									
279		Total Transmission Plant			32,093,579	13,732,408	6,172,237	555,632	11,633,301
280									
281		Distribution:							
282									
283	37400	Land & Land Rights	3.0	Peak Day	76,796	32,860	14,769	1,330	27,837
284	37401	Land	3.0	Peak Day	5,390	2,306	1,037	93	1,954
285	37402	Land Rights	3.0	Peak Day	36,592	15,657	7,037	634	13,264
286	37403	Land Other	3.0	Peak Day	402	172	77	7	146
287	37500	Structures & Improvements	3.0	Peak Day	49,540	21,198	9,528	858	17,957
288	37501	Structures & Improvements T.B.	3.0	Peak Day	14,868	6,272	2,819	254	5,313
289	37502	Land Rights	3.0	Peak Day	6,728	2,879	1,294	116	2,439
290	37503	Improvements	3.0	Peak Day	578	247	111	10	210
291	37600	Mains Cathodic Protection	3.0	Peak Day	1,634,361	699,321	314,320	28,295	592,424
292	37601	Mains - Steel	3.0	Peak Day	14,091,399	6,029,519	2,710,058	243,983	5,107,859
293	37602	Mains - Plastic	3.0	Peak Day	8,490,402	4,060,815	1,825,194	164,306	3,440,087
294	37800	Meas & Reg. Sta. Equip - General	3.0	Peak Day	775,030	331,625	149,054	13,418	280,933
295	37900	Meas & Reg. Sta. Equip - City Gate	3.0	Peak Day	328,225	140,443	63,124	5,683	118,976
296	37905	Meas & Reg. Sta. Equipment T.b.	3.0	Peak Day	201,387	86,171	38,731	3,487	72,999
297	38000	Services	99.0	-	0	-	-	-	-
298	38100	Meters	99.0	-	0	-	-	-	-
299	38200	Meter Installaitons	99.0	-	0	-	-	-	-
300	38300	House Regulators	99.0	-	0	-	-	-	-
301	38400	House Reg. Installations	99.0	-	0	-	-	-	-
302	38500	Ind. Meas. & Reg. Sta. Equipment	99.0	-	0	-	-	-	-
303	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-
304									
305		Total Distribution Plant			26,711,487	11,429,484	5,137,153	462,453	9,682,397

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF PLANT IN SERVICE

306								
307		General:						
308								
309	38900	Land & Land Rights	6.4 P, S, T & D Plant - Demand	124,094	53,098	23,866	2,148	44,982
310	39000	Structures & Improvements	6.4 P, S, T & D Plant - Demand	571,320	244,460	109,876	9,891	207,092
311	39001	Structures Frame	6.4 P, S, T & D Plant - Demand	0	-	-	-	-
312	39002	Structures-Brick	6.4 P, S, T & D Plant - Demand	28,214	12,072	5,426	488	10,227
313	39003	Improvements	6.4 P, S, T & D Plant - Demand	114,435	48,966	22,008	1,981	41,481
314	39004	Air Conditioning Equipment	6.4 P, S, T & D Plant - Demand	1,178	504	226	20	427
315	39009	Improvement to leased Premises	6.4 P, S, T & D Plant - Demand	201,933	86,404	38,836	3,496	73,197
316	39100	Office Furniture & Equipment	6.4 P, S, T & D Plant - Demand	232,857	99,636	44,793	4,031	84,396
317	39102	Remittance Processing Equip	6.4 P, S, T & D Plant - Demand	0	-	-	-	-
318	39103	Office Machines	6.4 P, S, T & D Plant - Demand	0	-	-	-	-
319	39200	Transportation Equipment	6.4 P, S, T & D Plant - Demand	62,416	26,707	12,004	1,081	22,624
320	39201	Trucks	6.4 P, S, T & D Plant - Demand	0	-	-	-	-
321	39202	Trailers	6.4 P, S, T & D Plant - Demand	5,239	2,242	1,008	91	1,899
322	39300	Stores Equipment	6.4 P, S, T & D Plant - Demand	0	-	-	-	-
323	39400	Tools, Shop & Garage Equipment	6.4 P, S, T & D Plant - Demand	346,833	148,405	66,703	6,005	125,720
324	39600	Power Operated Equipment	6.4 P, S, T & D Plant - Demand	0	-	-	-	-
325	39603	Ditchers	6.4 P, S, T & D Plant - Demand	8,476	3,627	1,630	147	3,073
326	39604	Backhoes	6.4 P, S, T & D Plant - Demand	9,904	4,238	1,905	171	3,590
327	39605	Welders	6.4 P, S, T & D Plant - Demand	5,246	2,245	1,009	91	1,902
328	39700	Communication Equipment	6.4 P, S, T & D Plant - Demand	59,390	25,412	11,422	1,028	21,528
329	39701	Communication Equipment - Mobile Radio	6.4 P, S, T & D Plant - Demand	0	-	-	-	-
330	39702	Communication Equipment - Fixed Radios	6.4 P, S, T & D Plant - Demand	0	-	-	-	-
331	39705	Communication Equip. - Telemetering	6.4 P, S, T & D Plant - Demand	10,487	4,479	2,013	181	3,794
332	39800	Miscellaneous Equipment	6.4 P, S, T & D Plant - Demand	398,080	170,325	76,555	6,892	144,289
333	39900	Other Tangible Property	6.4 P, S, T & D Plant - Demand	0	-	-	-	-
334	39901	Other Tangible Property - Servers - H/	6.4 P, S, T & D Plant - Demand	27,778	11,886	5,342	481	10,069
335	39902	Other Tangible Property - Servers - S/	6.4 P, S, T & D Plant - Demand	11,611	4,968	2,233	201	4,209
336	39903	Other Tangible Property - Network - H/	6.4 P, S, T & D Plant - Demand	0	-	-	-	-
337	39904	Other Tang. Property - CPC	6.4 P, S, T & D Plant - Demand	0	-	-	-	-
338	39905	Other Tangible Property - MF - Hardwa	6.4 P, S, T & D Plant - Demand	0	-	-	-	-
339	39906	Other Tang. Property - PC Hardware	6.4 P, S, T & D Plant - Demand	30,881	13,213	5,939	535	11,194
340	39907	Other Tang. Property - PC Software	6.4 P, S, T & D Plant - Demand	0	-	-	-	-
341	39908	Other Tang. Property - Mainframe S/W	6.4 P, S, T & D Plant - Demand	0	-	-	-	-
342	39909	Other Tang. Property - Application Sof	6.4 P, S, T & D Plant - Demand	0	-	-	-	-
343	39924	Other Tang. Property - General Startu	6.4 P, S, T & D Plant - Demand	0	-	-	-	-
344								
345		Total General Plant		2,250,333	962,887	432,764	38,990	815,702
346								
347		TOTAL DIRECT PLANT		67,217,133	28,761,302	12,927,199	1,163,722	24,364,909
348								
349		CWIP w/o AFUDC	6.4 P, S, T & D Plant - Demand	1,254,739	536,885	241,311	21,723	454,818
350								
351		Kentucky Mid-States General Office:						
352								
353		Intangible Plant:						
354								
355	30100	Organization	6.4 P, S, T & D Plant - Demand	14,625	6,258	2,813	253	5,301
356	30200	Franchises & Consents	6.4 P, S, T & D Plant - Demand	0	-	-	-	-
357	30300	Misc Intangible Plant	6.4 P, S, T & D Plant - Demand	87,570	37,470	16,841	1,516	31,742
358								
359		Total Intangible Plant:		102,195	43,728	19,654	1,769	37,044
360								
361		General:						
362								
363	37400	Land & Land Rights	6.4 P, S, T & D Plant - Demand	0	-	-	-	-
364	39001	Structures Frame	6.4 P, S, T & D Plant - Demand	14,154	6,056	2,722	245	5,131
365	39004	Air Conditioning Equipment	6.4 P, S, T & D Plant - Demand	455	195	88	8	165
366	39009	Improvement to leased Premises	6.4 P, S, T & D Plant - Demand	3,065	1,311	589	53	1,111
367	39100	Office Furniture & Equipment	6.4 P, S, T & D Plant - Demand	6,956	2,976	1,338	120	2,521
368	39200	Transportation Equipment	6.4 P, S, T & D Plant - Demand	324	139	62	6	118
369	39300	Stores Equipment	6.4 P, S, T & D Plant - Demand	328	141	63	6	119
370	39400	Tools, Shop & Garage Equipment	6.4 P, S, T & D Plant - Demand	11,251	4,814	2,164	195	4,078
371	39600	Power Operated Equipment	6.4 P, S, T & D Plant - Demand	1,542	660	297	27	559
372	39700	Communication Equipment	6.4 P, S, T & D Plant - Demand	2,999	1,283	577	52	1,087
373	39800	Miscellaneous Equipment	6.4 P, S, T & D Plant - Demand	65,110	27,860	12,522	1,127	23,601
374	39900	Other Tangible Property	6.4 P, S, T & D Plant - Demand	6,077	2,600	1,169	105	2,203
375	39901	Other Tangible Property - Servers - H/W	6.4 P, S, T & D Plant - Demand	27,165	11,624	5,224	470	9,847
376	39902	Other Tangible Property - Servers - S/W	6.4 P, S, T & D Plant - Demand	653	279	126	11	237
377	39903	Other Tangible Property - Network - H/W	6.4 P, S, T & D Plant - Demand	17,089	7,312	3,287	296	6,194
378	39906	Other Tang. Property - PC Hardware	6.4 P, S, T & D Plant - Demand	53,962	23,090	10,378	934	19,560
379	39907	Other Tang. Property - PC Software	6.4 P, S, T & D Plant - Demand	0	-	-	-	-
380	39908	Other Tang. Property - Mainframe S/W	6.4 P, S, T & D Plant - Demand	0	-	-	-	-
381								
382		Total General Plant		211,130	90,340	40,605	3,655	76,531
383								
384		CWIP w/o AFUDC	6.4 P, S, T & D Plant - Demand	26,703	11,426	5,136	462	9,679

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF PLANT IN SERVICE

385								
386		Shared Services General Office:						
387								
388		General:						
389								
390	39000	Structures & Improvements	6.4 P, S, T & D Plant - Demand	1,093	468	210	19	396
391	39005	G-Structures & Improvements	6.4 P, S, T & D Plant - Demand	20,242	8,661	3,893	350	7,337
392	39009	Improvement to leased Premises	6.4 P, S, T & D Plant - Demand	81,540	34,890	15,682	1,412	29,557
393	39100	Office Furniture & Equipment	6.4 P, S, T & D Plant - Demand	83,684	35,807	16,094	1,449	30,334
394	39102	Remittance Processing Equip	6.4 P, S, T & D Plant - Demand	0	-	-	-	-
395	39103	Office Machines	6.4 P, S, T & D Plant - Demand	0	-	-	-	-
396	39104	G-Office Furniture & Equip.	6.4 P, S, T & D Plant - Demand	141	60	27	2	51
397	39200	Transportation Equipment	6.4 P, S, T & D Plant - Demand	869	372	167	15	315
398	39300	Stores Equipment	6.4 P, S, T & D Plant - Demand	0	-	-	-	-
399	39400	Tools, Shop & Garage Equipment	6.4 P, S, T & D Plant - Demand	2,232	955	429	39	809
400	39500	Laboratory Equipment	6.4 P, S, T & D Plant - Demand	370	159	71	6	134
401	39700	Communication Equipment	6.4 P, S, T & D Plant - Demand	25,074	10,729	4,822	434	9,089
402	39800	Miscellaneous Equipment	6.4 P, S, T & D Plant - Demand	3,401	1,455	654	59	1,233
403	39900	Other Tangible Property	6.4 P, S, T & D Plant - Demand	1,422	608	273	25	515
404	39901	Other Tangible Property - Servers - H/W	6.4 P, S, T & D Plant - Demand	263,361	112,689	50,650	4,560	95,463
405	39902	Other Tangible Property - Servers - S/W	6.4 P, S, T & D Plant - Demand	135,578	58,012	26,074	2,347	49,144
406	39903	Other Tangible Property - Network - H/W	6.4 P, S, T & D Plant - Demand	31,876	13,639	6,130	552	11,554
407	39904	Other Tang. Property - CPU	6.4 P, S, T & D Plant - Demand	0	-	-	-	-
408	39905	Other Tangible Property - MF - Hardware	6.4 P, S, T & D Plant - Demand	0	-	-	-	-
409	39906	Other Tang. Property - PC Hardware	6.4 P, S, T & D Plant - Demand	23,014	9,848	4,426	398	8,342
410	39907	Other Tang. Property - PC Software	6.4 P, S, T & D Plant - Demand	8,508	3,641	1,636	147	3,084
411	39908	Other Tang. Property - Mainframe S/W	6.4 P, S, T & D Plant - Demand	909,373	388,109	174,491	15,744	329,630
412	39909	Other Tang. Property - Application Software	6.4 P, S, T & D Plant - Demand	22,805	9,801	4,405	397	8,303
413	39924	Other Tang. Property - General Startup Costs	6.4 P, S, T & D Plant - Demand	0	-	-	-	-
414								
415		Total General Plant		1,614,685	690,901	310,536	27,955	585,291
416								
417		CWIP w/o AFUDC	6.4 P, S, T & D Plant - Demand	56,481	24,168	10,862	978	20,473
418								
419		Shared Services Customer Support:						
420								
421		General:						
422								
423	38900	Land	6.4 P, S, T & D Plant - Demand	25,940	11,099	4,989	449	9,403
424	38910	CKV-Land & Land Rights	6.4 P, S, T & D Plant - Demand	2,366	1,013	455	41	858
425	39000	Structures & Improvements	6.4 P, S, T & D Plant - Demand	119,256	51,028	22,935	2,065	43,228
426	39009	Improvement to leased Premises	6.4 P, S, T & D Plant - Demand	40,918	17,508	7,869	708	14,832
427	39010	CKV-Structures & Improvements	6.4 P, S, T & D Plant - Demand	13,042	5,580	2,508	226	4,727
428	39100	Office Furniture & Equipment	6.4 P, S, T & D Plant - Demand	10,317	4,414	1,984	179	3,740
429	39700	Communication Equipment	6.4 P, S, T & D Plant - Demand	18,685	7,995	3,593	323	6,773
430	39710	CKV-Communication Equipment	6.4 P, S, T & D Plant - Demand	341	146	66	6	123
431	39800	Miscellaneous Equipment	6.4 P, S, T & D Plant - Demand	861	368	166	15	312
432	39900	Other Tangible Property	6.4 P, S, T & D Plant - Demand	0	-	-	-	-
433	39901	Other Tangible Property - Servers - H/W	6.4 P, S, T & D Plant - Demand	52,432	22,435	10,084	908	19,005
434	39902	Other Tangible Property - Servers - S/W	6.4 P, S, T & D Plant - Demand	24,395	10,438	4,692	422	8,843
435	39903	Other Tangible Property - Network - H/W	6.4 P, S, T & D Plant - Demand	17,492	7,485	3,364	303	6,341
436	39906	Other Tang. Property - PC Hardware	6.4 P, S, T & D Plant - Demand	11,273	4,823	2,168	195	4,086
437	39907	Other Tang. Property - PC Software	6.4 P, S, T & D Plant - Demand	4,572	1,956	879	79	1,657
438	39908	Other Tang. Property - Mainframe S/W	6.4 P, S, T & D Plant - Demand	881,789	377,308	169,586	15,266	319,632
439	39910	CKV-Other Tangible Property	6.4 P, S, T & D Plant - Demand	149	64	29	3	54
440	39916	CKV-Oth Tang Prop-PC Hardware	6.4 P, S, T & D Plant - Demand	243	104	47	4	88
441	39917	CKV-Oth Tang Prop-PC Software	6.4 P, S, T & D Plant - Demand	114	49	22	2	41
442	39924	Other Tang. Property - General Startup Costs	6.4 P, S, T & D Plant - Demand	0	-	-	-	-
443								
444		Total General Plant		1,224,183	523,812	235,436	21,194	443,743
445								
446		CWIP w/o AFUDC	6.4 P, S, T & D Plant - Demand	10,288	4,402	1,979	178	3,729
447								
448		TOTAL PLANT IN SERVICE - DEMAND		70,369,325	30,110,982	13,533,429	1,218,298	25,507,518
449								
450		TOTAL CWIP W/O AFUDC - DEMAND		1,348,211	576,881	259,288	23,341	488,700

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF PLANT IN SERVICE

Line No.	Acct. No.		Commodity Allocation Factor	Allocation Basis	Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
451		Intangible Plant:							
452									
453	30100	Organization	6.6	P, S, T & D Plant - Commodity	106	33	17	2	55
454	30200	Franchises & Consents	6.6	P, S, T & D Plant - Commodity	1,526	478	238	23	788
455	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-
456									
457		Total Intangible Plant:			1,632	511	254	25	842
458									
459		Production Plant:							
460									
461	32520	Producing Leaseholds	99.0	-	0	-	-	-	-
462	32540	Rights of Ways	99.0	-	0	-	-	-	-
463	33100	Production Gas Wells Equipment	99.0	-	0	-	-	-	-
464	33201	Field Lines	99.0	-	0	-	-	-	-
465	33202	Tributary Lines	99.0	-	0	-	-	-	-
466	33400	Field Meas. & Reg. Sta. Equip	99.0	-	0	-	-	-	-
467	33600	Purification Equipment	99.0	-	0	-	-	-	-
468									
469		Total Production Plant			0	0	0	0	0
470									
471		Storage Plant:							
472									
473	35010	Land	1.5	Winter Volumes	130,563	40,898	20,338	1,960	67,368
474	35020	Rights of Way	1.5	Winter Volumes	2,341	733	365	35	1,208
475	35100	Structures and Improvements	1.5	Winter Volumes	8,958	2,806	1,395	134	4,622
476	35102	Compression Station Equipment	1.5	Winter Volumes	76,031	24,004	11,937	1,150	39,540
477	35103	Meas. & Reg. Sta. Structues	1.5	Winter Volumes	11,569	3,624	1,802	174	5,969
478	35104	Other Structures	1.5	Winter Volumes	68,721	21,526	10,705	1,032	35,459
479	35200	Wells \ Rights of Way	1.5	Winter Volumes	2,221,111	695,746	345,980	33,340	1,146,045
480	35201	Well Construction	1.5	Winter Volumes	670,431	210,007	104,432	10,063	345,928
481	35202	Well Equipment	1.5	Winter Volumes	227,654	71,311	35,462	3,417	117,465
482	35203	Cushion Gas	1.5	Winter Volumes	847,416	265,447	132,001	12,720	437,248
483	35210	Leaseholds	1.5	Winter Volumes	89,265	27,962	13,905	1,340	46,059
484	35211	Storage Rights	1.5	Winter Volumes	27,307	8,554	4,254	410	14,090
485	35301	Field Lines	1.5	Winter Volumes	89,248	27,956	13,902	1,340	46,050
486	35302	Tributary Lines	1.5	Winter Volumes	104,729	32,806	16,314	1,572	54,038
487	35400	Compressor Station Equipment	1.5	Winter Volumes	461,723	144,631	71,922	6,931	238,239
488	35500	Meas & Reg. Equipment	1.5	Winter Volumes	120,442	37,727	18,761	1,808	62,145
489	35600	Purification Equipment	1.5	Winter Volumes	81,990	25,683	12,771	1,231	42,305
490									
491		Total Storage Plant			5,240,101	1,641,421	816,246	78,656	2,703,778
492									
493		Transmission:							
494									
495	36510	Land & Land Rights	99.0	-	0	-	-	-	-
496	36520	Rights of Way	99.0	-	0	-	-	-	-
497	36602	Structures & Improvements	99.0	-	0	-	-	-	-
498	36603	Other Structues	99.0	-	0	-	-	-	-
499	36700	Mains Cathodic Protection	99.0	-	0	-	-	-	-
500	36701	Mains - Steel	99.0	-	0	-	-	-	-
501	36900	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-
502	36901	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-
503									
504		Total Transmission Plant			0	0	0	0	0
505									
506		Distribution:							
507									
508	37400	Land & Land Rights	99.0	-	0	-	-	-	-
509	37401	Land	99.0	-	0	-	-	-	-
510	37402	Land Rights	99.0	-	0	-	-	-	-
511	37403	Land Other	99.0	-	0	-	-	-	-
512	37500	Structures & Improvements	99.0	-	0	-	-	-	-
513	37501	Structures & Improvements T.B.	99.0	-	0	-	-	-	-
514	37502	Land Rights	99.0	-	0	-	-	-	-
515	37503	Improvements	99.0	-	0	-	-	-	-
516	37600	Mains Cathodic Protection	99.0	-	0	-	-	-	-
517	37601	Mains - Steel	99.0	-	0	-	-	-	-
518	37602	Mains - Plastic	99.0	-	0	-	-	-	-
519	37800	Meas & Reg. Sta. Equip - General	99.0	-	0	-	-	-	-
520	37900	Meas & Reg. Sta. Equip - City Gate	99.0	-	0	-	-	-	-
521	37905	Meas & Reg. Sta. Equipment T.B.	99.0	-	0	-	-	-	-
522	38000	Services	99.0	-	0	-	-	-	-
523	38100	Meters	99.0	-	0	-	-	-	-
524	38200	Meter Installaitons	99.0	-	0	-	-	-	-
525	38300	House Regulators	99.0	-	0	-	-	-	-
526	38400	House Reg. Installations	99.0	-	0	-	-	-	-
527	38500	Ind. Meas. & Reg. Sta. Equipment	99.0	-	0	-	-	-	-
528	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-

Almos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF PLANT IN SERVICE

529								
530		Total Distribution Plant		0	0	0	0	0
531								
532		General:						
533								
534	38900	Land & Land Rights	6.6 P, S, T & D Plant - Commodity	10,012	3,136	1,580	150	5,186
535	39000	Structures & Improvements	6.6 P, S, T & D Plant - Commodity	46,096	14,439	7,180	692	23,785
536	39001	Structures Frame	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
537	39002	Structures-Brick	6.6 P, S, T & D Plant - Commodity	2,276	713	355	34	1,175
538	39003	Improvements	6.6 P, S, T & D Plant - Commodity	9,233	2,892	1,438	139	4,764
539	39004	Air Conditioning Equipment	6.6 P, S, T & D Plant - Commodity	95	30	15	1	49
540	39009	Improvement to leased Premises	6.6 P, S, T & D Plant - Commodity	16,293	5,104	2,538	245	8,407
541	39100	Office Furniture & Equipment	6.6 P, S, T & D Plant - Commodity	18,788	5,885	2,927	282	9,694
542	39102	Remittance Processing Equip	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
543	39103	Office Machines	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
544	39200	Transportation Equipment	6.6 P, S, T & D Plant - Commodity	5,036	1,577	784	76	2,598
545	39201	Trucks	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
546	39202	Trailers	6.6 P, S, T & D Plant - Commodity	423	132	66	6	218
547	39300	Stores Equipment	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
548	39400	Tools, Shop & Garage Equipment	6.6 P, S, T & D Plant - Commodity	27,984	8,766	4,359	420	14,439
549	39600	Power Operated Equipment	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
550	39603	Ditchers	6.6 P, S, T & D Plant - Commodity	684	214	107	10	353
551	39604	Backhoes	6.6 P, S, T & D Plant - Commodity	799	250	124	12	412
552	39605	Welders	6.6 P, S, T & D Plant - Commodity	423	133	66	6	218
553	39700	Communication Equipment	6.6 P, S, T & D Plant - Commodity	4,792	1,501	746	72	2,472
554	39701	Communication Equipment - Mobile Radic	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
555	39702	Communication Equipment - Fixed Radios	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
556	39705	Communication Equip. - Telemetering	6.6 P, S, T & D Plant - Commodity	845	265	132	13	436
557	39800	Miscellaneous Equipment	6.6 P, S, T & D Plant - Commodity	32,117	10,060	5,003	482	16,572
558	39900	Other Tangible Property	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
559	39901	Other Tangible Property - Servers - H/	6.6 P, S, T & D Plant - Commodity	2,241	702	349	34	1,156
560	39902	Other Tangible Property - Servers - S/	6.6 P, S, T & D Plant - Commodity	937	293	146	14	483
561	39903	Other Tangible Property - Network - H/	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
562	39904	Other Tang. Property - CPU	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
563	39905	Other Tangible Property - MF - Hardwa	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
564	39906	Other Tang. Property - PC Hardware	6.6 P, S, T & D Plant - Commodity	2,492	780	388	37	1,286
565	39907	Other Tang. Property - PC Software	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
566	39908	Other Tang. Property - Mainframe S/W	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
567	39909	Other Tang. Property - Application Sof	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
568	39924	Other Tang. Property - General Startu	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
569								
570		Total General Plant		181,564	56,874	28,282	2,725	93,683
571								
572		TOTAL DIRECT PLANT		5,423,297	1,698,896	844,782	81,406	2,798,303
573								
574		CWIP w/o AFUDC	6.6 P, S, T & D Plant - Commodity	101,236	31,712	15,770	1,520	52,236
575								
576		Kentucky Mid-States General Office:						
577								
578		Intangible Plant:						
579								
580	30100	Organization	6.6 P, S, T & D Plant - Commodity	1,180	370	184	18	609
581	30200	Franchises & Consents	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
582	30300	Misc. Intangible Plant	6.6 P, S, T & D Plant - Commodity	7,065	2,213	1,101	106	3,646
583								
584		Total Intangible Plant:		8,245	2,583	1,284	124	4,254
585								
586		General:						
587								
588	37400	Land & Land Rights	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
589	39001	Structures Frame	6.6 P, S, T & D Plant - Commodity	1,142	358	178	17	589
590	39004	Air Conditioning Equipment	6.6 P, S, T & D Plant - Commodity	37	12	6	1	19
591	39009	Improvement to leased Premises	6.6 P, S, T & D Plant - Commodity	247	77	39	4	128
592	39100	Office Furniture & Equipment	6.6 P, S, T & D Plant - Commodity	561	176	87	8	290
593	39200	Transportation Equipment	6.6 P, S, T & D Plant - Commodity	26	8	4	0	14
594	39300	Stores Equipment	6.6 P, S, T & D Plant - Commodity	26	8	4	0	14
595	39400	Tools, Shop & Garage Equipment	6.6 P, S, T & D Plant - Commodity	905	284	141	14	468
596	39600	Power Operated Equipment	6.6 P, S, T & D Plant - Commodity	124	39	19	2	64
597	39700	Communication Equipment	6.6 P, S, T & D Plant - Commodity	242	76	38	4	125
598	39800	Miscellaneous Equipment	6.6 P, S, T & D Plant - Commodity	5,253	1,646	818	79	2,711
599	39900	Other Tangible Property	6.6 P, S, T & D Plant - Commodity	490	154	76	7	253
600	39901	Other Tangible Property - Servers - H/W	6.6 P, S, T & D Plant - Commodity	2,192	687	341	33	1,131
601	39902	Other Tangible Property - Servers - S/W	6.6 P, S, T & D Plant - Commodity	53	17	8	1	27
602	39903	Other Tangible Property - Network - H/W	6.6 P, S, T & D Plant - Commodity	1,379	432	215	21	711
603	39906	Other Tang. Property - PC Hardware	6.6 P, S, T & D Plant - Commodity	4,354	1,364	678	65	2,247
604	39907	Other Tang. Property - PC Software	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
605	39908	Other Tang. Property - Mainframe S/W	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
606								
607		Total General Plant		17,035	5,336	2,653	256	8,790
608								
609		CWIP w/o AFUDC	6.6 P, S, T & D Plant - Commodity	2,154	675	336	32	1,112

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF PLANT IN SERVICE

610								
611		Shared Services General Office:						
612								
613		General:						
614								
615	38000	Structures & Improvements	6.6 P, S, T & D Plant - Commodity	88	28	14	1	46
616	38005	G-Structures & Improvements	6.6 P, S, T & D Plant - Commodity	1,633	512	254	25	843
617	38009	Improvement to leased Premises	6.6 P, S, T & D Plant - Commodity	6,579	2,061	1,025	99	3,395
618	39100	Office Furniture & Equipment	6.6 P, S, T & D Plant - Commodity	6,752	2,115	1,052	101	3,484
619	39102	Remittance Processing Equip	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
620	39103	Office Machines	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
621	39104	G-Office Furniture & Equip.	6.6 P, S, T & D Plant - Commodity	11	4	2	0	6
622	39200	Transportation Equipment	6.6 P, S, T & D Plant - Commodity	70	22	11	1	36
623	39300	Stores Equipment	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
624	39400	Tools, Shop & Garage Equipment	6.6 P, S, T & D Plant - Commodity	180	56	28	3	93
625	39500	Laboratory Equipment	6.6 P, S, T & D Plant - Commodity	30	9	5	0	15
626	39700	Communication Equipment	6.6 P, S, T & D Plant - Commodity	2,023	634	315	30	1,044
627	39800	Miscellaneous Equipment	6.6 P, S, T & D Plant - Commodity	274	86	43	4	142
628	39900	Other Tangible Property	6.6 P, S, T & D Plant - Commodity	115	36	18	2	59
629	39901	Other Tangible Property - Servers - H/W	6.6 P, S, T & D Plant - Commodity	21,249	6,656	3,310	319	10,964
630	39902	Other Tangible Property - Servers - S/W	6.6 P, S, T & D Plant - Commodity	10,939	3,427	1,704	164	5,644
631	39903	Other Tangible Property - Network - H/W	6.6 P, S, T & D Plant - Commodity	2,572	806	401	39	1,327
632	39904	Other Tang. Property - CPU	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
633	39905	Other Tangible Property - MF - Hardware	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
634	39906	Other Tang. Property - PC Hardware	6.6 P, S, T & D Plant - Commodity	1,857	582	289	28	958
635	39907	Other Tang. Property - PC Software	6.6 P, S, T & D Plant - Commodity	687	215	107	10	354
636	39908	Other Tang. Property - Mainframe S/W	6.6 P, S, T & D Plant - Commodity	73,371	22,993	11,429	1,101	37,858
637	39909	Other Tang. Property - Application Software	6.6 P, S, T & D Plant - Commodity	1,848	579	288	28	954
638	39924	Other Tang. Property - General Startup Costs	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
639								
640		Total General Plant		130,278	40,809	20,293	1,956	67,221
641								
642		CWIP w/o AFUDC	6.6 P, S, T & D Plant - Commodity	4,557	1,427	710	68	2,351
643								
644		Shared Services Customer Support:						
645								
646		General:						
647								
648	38900	Land	6.6 P, S, T & D Plant - Commodity	2,093	656	326	31	1,080
649	38910	CKV-Land & Land Rights	6.6 P, S, T & D Plant - Commodity	191	60	30	3	99
650	39000	Structures & Improvements	6.6 P, S, T & D Plant - Commodity	9,622	3,014	1,499	144	4,965
651	39009	Improvement to leased Premises	6.6 P, S, T & D Plant - Commodity	3,301	1,034	514	50	1,703
652	39010	CKV-Structures & Improvements	6.6 P, S, T & D Plant - Commodity	1,052	330	164	16	543
653	39100	Office Furniture & Equipment	6.6 P, S, T & D Plant - Commodity	832	261	130	12	429
654	39700	Communication Equipment	6.6 P, S, T & D Plant - Commodity	1,508	472	235	23	778
655	39710	CKV-Communication Equipment	6.6 P, S, T & D Plant - Commodity	27	9	4	0	14
656	39800	Miscellaneous Equipment	6.6 P, S, T & D Plant - Commodity	69	22	11	1	36
657	39900	Other Tangible Property	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
658	39901	Other Tangible Property - Servers - H/W	6.6 P, S, T & D Plant - Commodity	4,230	1,325	659	63	2,183
659	39902	Other Tangible Property - Servers - S/W	6.6 P, S, T & D Plant - Commodity	1,968	617	307	30	1,016
660	39903	Other Tangible Property - Network - H/W	6.6 P, S, T & D Plant - Commodity	1,411	442	220	21	728
661	39906	Other Tang. Property - PC Hardware	6.6 P, S, T & D Plant - Commodity	910	285	142	14	469
662	39907	Other Tang. Property - PC Software	6.6 P, S, T & D Plant - Commodity	369	116	57	6	190
663	39908	Other Tang. Property - Mainframe S/W	6.6 P, S, T & D Plant - Commodity	71,146	22,286	11,082	1,068	36,710
664	39910	CKV-Other Tangible Property	6.6 P, S, T & D Plant - Commodity	12	4	2	0	6
665	39916	CKV-Oth Tang Prop-PC Hardware	6.6 P, S, T & D Plant - Commodity	20	6	3	0	10
666	39917	CKV-Oth Tang Prop-PC Software	6.6 P, S, T & D Plant - Commodity	9	3	1	0	5
667	39924	Other Tang. Property - General Startup Costs	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
668								
669		Total General Plant		98,771	30,939	15,385	1,483	50,964
670								
671		CWIP w/o AFUDC	6.6 P, S, T & D Plant - Commodity	830	260	129	12	428
672								
673		TOTAL PLANT IN SERVICE - COMMODITY		5,677,626	1,778,473	884,399	85,223	2,929,532
674								
675		TOTAL CWIP W/O AFUDC - COMMODITY		108,778	34,074	16,944	1,633	56,127

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF PLANT IN SERVICE

Total Plant In Service

Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
676		Intangible Plant:							
677									
678	30100	Organization			8,330	6,183	1,376	80	691
679	30200	Franchises & Consents			119,853	88,964	19,796	1,156	9,937
680	30300	Misc Intangible Plant			0	-	-	-	-
681									
682		Total Intangible Plant			128,182	95,147	21,171	1,236	10,628
683									
684		Production Plant							
685									
686	32520	Producing Leaseholds			2,353	1,007	452	41	853
687	32540	Rights of Ways			83,422	35,695	16,044	1,444	30,239
688	33100	Production Gas Wells Equipment			3,492	1,494	672	60	1,266
689	33201	Field Lines			47,163	20,180	9,070	817	17,096
690	33202	Tributary Lines			528,218	226,017	101,587	9,145	191,469
691	33400	Field Meas. & Reg. Sta. Equip			192,364	82,319	36,999	3,331	69,736
692	33600	Purification Equipment			44,369	18,985	8,533	768	16,083
693									
694		Total Production Plant			901,402	385,698	173,358	15,606	326,741
695									
696		Storage Plant							
697									
698	35010	Land			261,127	96,764	45,448	4,220	114,695
699	35020	Rights of Way			4,682	1,735	815	76	2,056
700	35100	Structures and Improvements			17,916	6,639	3,118	290	7,869
701	35102	Compression Station Equipment			153,261	56,793	26,674	2,477	67,317
702	35103	Meas. & Reg. Sta. Structues			23,138	8,574	4,027	374	10,163
703	35104	Other Structures			137,443	50,931	23,921	2,221	60,369
704	35200	Wells \ Rights of Way			4,442,222	1,646,129	773,145	71,793	1,951,155
705	35201	Well Construction			1,340,863	496,876	233,370	21,670	588,946
706	35202	Well Equipment			456,300	169,121	79,244	7,359	199,986
707	35203	Cushion Gas			1,694,833	628,045	294,976	27,391	744,421
708	35210	Leaseholds			178,530	66,157	31,072	2,885	78,416
709	35211	Storage Rights			54,614	20,238	9,505	883	23,988
710	35301	Field Lines			178,497	66,145	31,066	2,885	78,401
711	35302	Tributary Lines			209,458	77,618	36,455	3,385	92,000
712	35400	Compressor Station Equipment			923,446	342,196	160,721	14,924	405,605
713	35500	Meas & Reg. Equipment			240,883	89,263	41,924	3,893	105,803
714	35600	Purification Equipment			163,979	60,765	28,540	2,650	72,025
715									
716		Total Storage Plant			10,480,201	3,883,589	1,824,022	169,377	4,603,213
717									
718		Transmission:							
719									
720	36510	Land & Land Rights			26,070	11,540	5,187	467	8,776
721	36520	Rights of Way			867,772	371,308	166,890	15,024	314,551
722	36602	Structures & Improvements			49,002	20,967	9,424	848	17,762
723	36603	Other Structues			66,826	28,027	11,698	1,053	22,048
724	36700	Mains Cathodic Protection			406,035	173,737	78,089	7,030	147,180
725	36701	Mains - Steel			27,830,935	11,908,481	5,352,446	481,834	10,088,175
726	36900	Meas. & Reg. Equipment			578,023	247,328	111,165	10,007	209,522
727	36901	Meas. & Reg. Equipment			2,274,016	973,021	437,339	39,370	824,287
728									
729		Total Transmission Plant			32,093,579	13,732,408	6,172,237	555,632	11,633,301
730									
731		Distribution:							
732									
733	37400	Land & Land Rights			531,819	437,169	64,391	1,854	28,405
734	37401	Land			37,326	30,683	4,519	130	1,994
735	37402	Land Rights			253,401	208,302	30,681	883	13,534
736	37403	Land Other			2,784	2,288	337	10	149
737	37500	Structures & Improvements			343,073	282,015	41,536	1,196	18,324
738	37501	Structures & Improvements T.B.			101,597	83,441	12,290	354	5,422
739	37502	Land Rights			46,591	38,299	5,641	162	2,488
740	37503	Improvements			4,005	3,292	485	14	214
741	37600	Mains Cathodic Protection			11,318,115	9,303,784	1,370,363	39,469	604,510
742	37601	Mains - Steel			97,564,394	80,216,900	11,815,224	340,210	5,212,060
743	37602	Mains - Plastic			65,722,013	54,025,197	7,957,423	229,128	3,510,265
744	37800	Meas & Reg. Sta. Equip - General			5,367,160	4,411,944	649,839	18,712	286,664
745	37900	Meas & Reg. Sta. Equip - City Gate			2,272,991	1,868,457	275,207	7,924	121,402
746	37905	Meas & Reg. Sta. Equipment T.b.			1,394,628	1,146,420	168,857	4,862	74,488
747	38900	Services			98,853,417	87,835,826	10,780,267	113,954	123,371
748	38100	Meters			22,574,136	13,562,204	7,593,305	704,186	714,441
749	38200	Meter Installaitons			49,157,106	29,532,854	16,535,089	1,533,426	1,555,757
750	38300	House Regulators			7,239,601	4,349,564	2,435,266	225,841	228,130
751	38400	House Reg. Installations			154,276	92,687	51,894	4,813	4,883
752	38500	Ind. Meas. & Reg. Sta. Equipment			5,045,015	-	-	-	5,045,015
753	38600	Other Prop. On Cust. Prem			0	-	-	-	-
754									
755		Total Distribution Plant			368,003,556	287,431,328	59,782,597	3,227,117	17,562,516

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF PLANT IN SERVICE							
General:							
38900	Land & Land Rights	786,216	583,593	129,866	7,581	65,185
39000	Structures & Improvements	3,619,684	2,686,824	597,848	34,903	300,109
39001	Structures Frame	0	-	-	-	-
39002	Structures-Brick	178,755	132,687	29,524	1,724	14,821
39003	Improvements	726,022	538,170	119,749	6,991	60,112
39004	Air Conditioning Equipment	7,461	5,539	1,232	72	619
39009	Improvement to leased Premises	1,279,376	949,657	211,309	12,337	106,073
39100	Office Furniture & Equipment	1,475,298	1,095,087	243,669	14,226	122,317
39102	Remittance Processing Equip	0	-	-	-	-
39103	Office Machines	0	-	-	-	-
39200	Transportation Equipment	395,444	293,531	65,314	3,813	32,786
39201	Trucks	0	-	-	-	-
39202	Trailers	33,192	24,638	5,482	320	2,752
39300	Stores Equipment	0	-	-	-	-
39400	Tools, Shop & Garage Equipment	2,197,415	1,631,100	362,938	21,189	182,188
39600	Power Operated Equipment	0	-	-	-	-
39603	Ditchers	53,704	39,863	8,870	518	4,453
39604	Backhoes	62,747	46,576	10,364	605	5,202
39605	Welders	33,236	24,670	5,489	320	2,756
39700	Communication Equipment	376,277	279,303	62,148	3,628	31,197
39701	Communication Equipment - Mobile Radios	0	-	-	-	-
39702	Communication Equipment - Fixed Radios	0	-	-	-	-
39705	Communication Equip. - Telemetering	66,316	49,225	10,953	639	5,498
39800	Miscellaneous Equipment	2,521,971	1,872,013	416,543	24,318	209,097
39900	Other Tangible Property	0	-	-	-	-
39901	Other Tangible Property - Servers - H/W	175,990	130,634	29,068	1,697	14,591
39902	Other Tangible Property - Servers - S/W	73,566	54,607	12,151	709	6,099
39903	Other Tangible Property - Network - H/W	0	-	-	-	-
39904	Other Tang. Property - CPU	0	-	-	-	-
39905	Other Tangible Property - MF - Hardware	0	-	-	-	-
39906	Other Tang. Property - PC Hardware	195,649	145,227	32,315	1,887	16,221
39907	Other Tang. Property - PC Software	0	-	-	-	-
39908	Other Tang. Property - Mainframe S/W	0	-	-	-	-
39909	Other Tang. Property - Application Software	0	-	-	-	-
39924	Other Tang. Property - General Startup Costs	0	-	-	-	-
Total General Plant		14,257,320	10,582,944	2,354,822	137,478	1,182,077
TOTAL DIRECT PLANT		425,864,243	316,111,114	70,338,207	4,108,446	35,306,475
CWIP w/o AFUDC		7,949,586	5,900,830	1,313,000	76,655	659,101
Kentucky Mid-States General Office:						
Intangible Plant:						
30100	Organization	92,661	68,780	15,304	893	7,683
30200	Franchises & Consents	0	-	-	-	-
30300	Misc Intangible Plant	554,814	411,828	91,636	5,350	46,000
Total Intangible Plant:		647,474	480,608	106,941	6,243	53,682
General:						
37400	Land & Land Rights	0	-	-	-	-
39001	Structures Frame	89,675	66,564	14,811	865	7,435
39004	Air Conditioning Equipment	2,886	2,142	477	28	239
39009	Improvement to leased Premises	19,416	14,414	3,207	187	1,610
39100	Office Furniture & Equipment	44,069	32,712	7,279	425	3,654
39200	Transportation Equipment	2,055	1,526	339	20	170
39300	Stores Equipment	2,081	1,544	344	20	173
39400	Tools, Shop & Garage Equipment	71,284	52,913	11,774	687	5,910
39600	Power Operated Equipment	9,768	7,250	1,613	94	810
39700	Communication Equipment	19,000	14,103	3,138	183	1,575
39800	Miscellaneous Equipment	412,511	306,200	68,133	3,978	34,201
39900	Other Tangible Property	38,499	28,577	6,359	371	3,192
39901	Other Tangible Property - Servers - H/W	172,108	127,753	28,426	1,660	14,270
39902	Other Tangible Property - Servers - S/W	4,137	3,071	683	40	343
39903	Other Tangible Property - Network - H/W	108,270	80,367	17,882	1,044	8,977
39906	Other Tang. Property - PC Hardware	341,887	253,777	56,468	3,297	28,346
39907	Other Tang. Property - PC Software	0	-	-	-	-
39908	Other Tang. Property - Mainframe S/W	0	-	-	-	-
Total General Plant		1,337,649	992,912	220,934	12,898	110,905
CWIP w/o AFUDC		169,180	125,580	27,943	1,631	14,027

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF PLANT IN SERVICE

835							
836		Shared Services General Office:					
837							
838		General:					
839							
840	38900	Structures & Improvements	6,927	5,142	1,144	67	574
841	38905	G-Structures & Improvements	128,243	95,193	21,181	1,237	10,633
842	38909	Improvement to leased Premises	516,609	383,469	85,326	4,981	42,832
843	39100	Office Furniture & Equipment	530,191	393,551	87,569	5,112	43,958
844	39102	Remittance Processing Equip	0	-	-	-	-
845	39103	Office Machines	0	-	-	-	-
846	39104	G-Office Furniture & Equip.	893	663	147	9	74
847	39200	Transportation Equipment	5,503	4,085	909	53	456
848	39300	Stores Equipment	0	-	-	-	-
849	39400	Tools, Shop & Garage Equipment	14,142	10,497	2,336	136	1,172
850	39500	Laboratory Equipment	2,347	1,742	388	23	195
851	39700	Communication Equipment	158,860	117,919	26,238	1,532	13,171
852	39800	Miscellaneous Equipment	21,546	15,993	3,559	208	1,786
853	39900	Other Tangible Property	9,006	6,685	1,488	87	747
854	39901	Other Tangible Property - Servers - H/W	1,668,562	1,238,643	275,589	16,089	138,341
855	39902	Other Tangible Property - Servers - S/W	858,974	637,600	141,873	8,283	71,218
856	39903	Other Tangible Property - Network - H/W	201,953	149,906	33,356	1,947	16,744
857	39904	Other Tang. Property - CPU	0	-	-	-	-
858	39905	Other Tangible Property - MF - Hardware	0	-	-	-	-
859	39906	Other Tang. Property - PC Hardware	145,811	108,233	24,083	1,406	12,089
860	39907	Other Tang. Property - PC Software	53,010	40,016	8,904	520	4,470
861	39908	Other Tang. Property - Mainframe S/W	5,761,472	4,276,633	951,598	55,556	477,685
862	39909	Other Tang. Property - Application Software	145,121	107,721	23,969	1,399	12,032
863	39924	Other Tang. Property - General Startup Costs	0	-	-	-	-
864							
865		Total General Plant	10,230,069	7,593,690	1,689,658	98,645	848,177
866							
867		CWIP w/o AFUDC	357,845	265,622	59,104	3,451	29,669
868							
869		Shared Services Customer Support:					
870							
871		General:					
872							
873	38900	Land	164,346	121,990	27,144	1,585	13,626
874	38910	CKV-Land & Land Rights	14,993	11,129	2,476	145	1,243
875	39000	Structures & Improvements	755,564	560,841	124,793	7,286	62,644
876	39009	Improvement to leased Premises	259,245	192,433	42,818	2,500	21,494
877	39010	CKV-Structures & Improvements	82,629	61,334	13,648	797	6,851
878	39100	Office Furniture & Equipment	65,363	48,518	10,796	630	5,419
879	39700	Communication Equipment	118,380	87,872	19,552	1,141	9,815
880	39710	CKV-Communication Equipment	2,158	1,602	356	21	179
881	39800	Miscellaneous Equipment	5,452	4,047	900	53	452
882	39900	Other Tangible Property	0	-	-	-	-
883	39901	Other Tangible Property - Servers - H/W	332,188	246,577	54,886	3,203	27,542
884	39902	Other Tangible Property - Servers - S/W	154,557	114,726	25,526	1,490	12,814
885	39903	Other Tangible Property - Network - H/W	110,823	82,262	18,304	1,069	9,188
886	39906	Other Tang. Property - PC Hardware	71,420	53,013	11,796	689	5,921
887	39907	Other Tang. Property - PC Software	28,967	21,502	4,784	279	2,402
888	39908	Other Tang. Property - Mainframe S/W	5,568,709	4,146,910	922,733	53,870	463,195
889	39910	CKV-Other Tangible Property	945	701	156	9	78
890	39916	CKV-Oth Tang Prop-PC Hardware	1,541	1,144	255	15	128
891	39917	CKV-Oth Tang Prop-PC Software	719	534	119	7	60
892	39924	Other Tang. Property - General Startup Costs	0	-	-	-	-
893							
894		Total General Plant	7,755,998	5,757,133	1,281,026	74,788	643,051
895							
896		CWIP w/o AFUDC	65,180	48,382	10,766	629	5,404
897							
898		TOTAL PLANT IN SERVICE	445,835,433	330,835,358	73,636,764	4,299,021	36,964,290
899							
900		TOTAL CWIP W/O AFUDC	8,641,792	6,340,413	1,410,812	82,366	708,201

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF RESERVE FOR DEPRECIATION

Customer

Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
1		Intangible Plant:							
2									
3	30100	Organization	6.2	P, S, T & D Plant - Customer	6,909	5,587	1,106	56	159
4	30200	Franchises & Consents	6.2	P, S, T & D Plant - Customer	99,409	80,392	15,920	805	2,292
5	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-
6									
7		Total Intangible Plant			106,318	85,979	17,026	861	2,452
8									
9		Production Plant:							
10									
11	32520	Producing Leaseholds	99.0	-	0	-	-	-	-
12	32540	Rights of Ways	99.0	-	0	-	-	-	-
13	33100	Production Gas Wells Equipment	99.0	-	0	-	-	-	-
14	33201	Field Lines	99.0	-	0	-	-	-	-
15	33202	Tributary Lines	99.0	-	0	-	-	-	-
16	33400	Field Meas. & Reg. Sta. Equip	99.0	-	0	-	-	-	-
17	33600	Purification Equipment	99.0	-	0	-	-	-	-
18									
19		Total Production Plant			0	0	0	0	0
20									
21		Storage Plant:							
22									
23	35010	Land	99.0	-	0	-	-	-	-
24	35020	Rights of Way	99.0	-	0	-	-	-	-
25	35100	Structures and Improvements	99.0	-	0	-	-	-	-
26	35102	Compression Station Equipment	99.0	-	0	-	-	-	-
27	35103	Meas. & Reg. Sta. Structures	99.0	-	0	-	-	-	-
28	35104	Other Structures	99.0	-	0	-	-	-	-
29	35200	Wells \ Rights of Way	99.0	-	0	-	-	-	-
30	35201	Well Construction	99.0	-	0	-	-	-	-
31	35202	Well Equipment	99.0	-	0	-	-	-	-
32	35203	Cushion Gas	99.0	-	0	-	-	-	-
33	35210	Leaseholds	99.0	-	0	-	-	-	-
34	35211	Storage Rights	99.0	-	0	-	-	-	-
35	35301	Field Lines	99.0	-	0	-	-	-	-
36	35302	Tributary Lines	99.0	-	0	-	-	-	-
37	35400	Compressor Station Equipment	99.0	-	0	-	-	-	-
38	35500	Meas & Reg. Equipment	99.0	-	0	-	-	-	-
39	35600	Purification Equipment	99.0	-	0	-	-	-	-
40									
41		Total Storage Plant			0	-	-	-	-
42									
43		Transmission:							
44									
45	36510	Land & Land Rights	99.0	-	0	-	-	-	-
46	36520	Rights of Way	99.0	-	0	-	-	-	-
47	36602	Structures & Improvements	99.0	-	0	-	-	-	-
48	36603	Other Structures	99.0	-	0	-	-	-	-
49	36700	Mains Cathodic Protection	99.0	-	0	-	-	-	-
50	36701	Mains - Steel	99.0	-	0	-	-	-	-
51	36900	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-
52	36901	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-
53									
54		Total Transmission Plant			0	-	-	-	-
55									
56		Distribution:							
57									
58	37400	Land & Land Rights	2.0	Customers	48,893	43,443	5,332	56	61
59	37401	Land	2.0	Customers	(6,203)	(5,512)	(677)	(7)	(8)
60	37402	Land Rights	2.0	Customers	48,871	43,424	5,330	56	61
61	37403	Land Other	2.0	Customers	0	-	-	-	-
62	37500	Structures & Improvements	2.0	Customers	86,728	77,062	9,458	100	108
63	37501	Structures & Improvements T.B.	2.0	Customers	83,974	74,614	9,158	97	105
64	37502	Land Rights	2.0	Customers	39,906	35,458	4,352	46	50
65	37503	Improvements	2.0	Customers	934	830	102	1	1
66	37600	Mains Cathodic Protection	2.0	Customers	2,107,476	1,872,590	229,827	2,429	2,630
67	37601	Mains - Steel	2.0	Customers	37,173,842	33,030,675	4,053,921	42,852	46,394
68	37602	Mains - Plastic	2.0	Customers	11,324,709	10,062,527	1,234,994	13,055	14,133
69	37800	Meas & Reg. Sta. Equip - General	2.0	Customers	1,477,747	1,313,047	161,153	1,703	1,844
70	37900	Meas & Reg. Sta. Equip - City Gate	2.0	Customers	340,499	302,549	37,132	393	425
71	37905	Meas & Reg. Sta. Equipment T.b.	2.0	Customers	1,033,341	918,172	112,689	1,191	1,290
72	38000	Services	2.0	Customers	47,464,180	42,174,115	5,176,114	54,715	59,236
73	38100	Meters	4.0	Meter Investment	8,831,960	5,306,109	2,970,623	275,508	279,520
74	38200	Meter Installaitons	4.0	Meter Investment	10,090,016	6,061,931	3,393,898	314,752	318,336
75	38300	House Regulators	4.0	Meter Investment	3,231,320	1,941,329	1,086,925	100,799	102,267
76	38400	House Reg. Installations	4.0	Meter Investment	122,845	73,804	41,322	3,832	3,888
77	38500	Ind. Meas. & Reg. Sta. Equipment	5.0	Direct to I & T	2,894,605	-	-	-	2,894,605
78	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-
79									
80		Total Distribution Plant			126,395,542	103,326,167	18,531,952	811,578	3,725,946

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF RESERVE FOR DEPRECIATION

82		General:						
83								
84	38900	Land & Land Rights	6.2 P, S, T & D Plant - Customer	21,278	17,208	3,408	172	491
85	38000	Structures Frame	6.2 P, S, T & D Plant - Customer	509,406	411,147	81,418	4,118	11,724
86	39002	Improvements	6.2 P, S, T & D Plant - Customer	148,494	120,087	23,780	1,203	3,424
87	39003	Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	446,445	361,038	71,495	3,616	10,295
88	39004	Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	6,204	5,016	994	50	143
89	39009	Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	1,059,481	856,799	169,668	8,582	24,431
90	39100	Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	232,277	187,842	37,197	1,882	5,356
91	39103	Transportation Equipment	6.2 P, S, T & D Plant - Customer	(89,245)	(72,172)	(14,292)	(723)	(2,058)
92	39200	Trucks	6.2 P, S, T & D Plant - Customer	334,367	270,402	53,546	2,709	7,710
93	39201	Trailers	6.2 P, S, T & D Plant - Customer	4,125	3,336	661	33	95
94	39202	Stores Equipment	6.2 P, S, T & D Plant - Customer	40,316	32,604	6,456	327	930
95	39400	Power Operated Equipment	6.2 P, S, T & D Plant - Customer	319,360	258,282	51,146	2,587	7,365
96	39603	Backhoes	6.2 P, S, T & D Plant - Customer	(133,979)	(108,349)	(21,456)	(1,085)	(3,090)
97	39604	Welders	6.2 P, S, T & D Plant - Customer	(10,976)	(8,876)	(1,758)	(89)	(253)
98	39605	Communication Equipment	6.2 P, S, T & D Plant - Customer	17,745	14,351	2,842	144	409
99	39700	Communication Equipment - Mobile Radios	6.2 P, S, T & D Plant - Customer	(178,950)	(144,717)	(28,658)	(1,450)	(4,127)
100	39701	Communication Equipment - Fixed Radios	6.2 P, S, T & D Plant - Customer	(18,320)	(14,815)	(2,934)	(148)	(422)
101	39702	Communication Equip. - Telemetering	6.2 P, S, T & D Plant - Customer	(28,313)	(22,897)	(4,534)	(229)	(653)
102	39705	Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	(101,620)	(82,180)	(16,274)	(823)	(2,343)
103	39800	Other Tangible Property	6.2 P, S, T & D Plant - Customer	481,993	389,787	77,189	3,904	11,115
104	39800	Other Tangible Property - Servers - H/W	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
105	39901	Other Tangible Property - Servers - S/W	6.2 P, S, T & D Plant - Customer	146,971	118,846	23,376	1,182	3,366
106	39902	Other Tangible Property - Network - H/W	6.2 P, S, T & D Plant - Customer	65,155	52,691	10,434	528	1,502
107	39903	Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
108	39904	Other Tangible Property - MF - Hardware	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
109	39905	Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
110	39906	Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	(1,696,376)	(1,371,854)	(271,662)	(13,742)	(39,118)
111	39907	Other Tang. Property - Mainframe S/W	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
112	39908	Other Tang. Property - Application Software	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
113		AR 15 general plant amortization	6.2 P, S, T & D Plant - Customer	99,321	80,321	15,906	805	2,290
114		Retirement Work in Progress	6.2 P, S, T & D Plant - Customer	(3,903,390)	(3,156,659)	(625,100)	(31,620)	(90,011)
115								
116		Total General Plant		(2,230,210)	(1,803,664)	(357,152)	(18,066)	(51,428)
117								
118		TOTAL DIRECT RESERVE FOR DEPRECIATION		124,271,750	101,608,582	18,191,826	794,374	3,676,969
119								
120		Kentucky Mid-States General Office:						
121								
122		Intangible Plant:						
123								
124	30100	Organization	99.0 -	0	-	-	-	-
125	30200	Franchises & Consents	99.0 -	0	-	-	-	-
126	30300	Misc Intangible Plant	99.0 -	0	-	-	-	-
127								
128		Total Intangible Plant:						
129								
130		General:						
131								
132	37400	Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
133	39001	Structures Frame	6.2 P, S, T & D Plant - Customer	20,677	16,721	3,311	167	477
134	39004	Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	2,393	1,936	383	19	55
135	39009	Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	20,358	16,463	3,260	165	469
136	39100	Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	29,143	23,568	4,667	236	672
137	39200	Transportation Equipment	6.2 P, S, T & D Plant - Customer	3,176	2,568	509	26	73
138	39300	Stores Equipment	6.2 P, S, T & D Plant - Customer	1,481	1,197	237	12	34
139	39400	Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	26,511	21,440	4,246	215	611
140	39600	Power Operated Equipment	6.2 P, S, T & D Plant - Customer	6,417	5,190	1,026	52	148
141	39700	Communication Equipment	6.2 P, S, T & D Plant - Customer	(5,434)	(4,394)	(870)	(44)	(125)
142	39800	Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	184,145	148,917	29,469	1,492	4,268
143	39900	Other Tangible Property	6.2 P, S, T & D Plant - Customer	31,932	25,824	5,114	259	736
144	39901	Other Tangible Property - Servers - H/W	6.2 P, S, T & D Plant - Customer	84,587	68,406	13,546	685	1,951
145	39902	Other Tangible Property - Servers - S/W	6.2 P, S, T & D Plant - Customer	4,777	3,863	765	39	110
146	39903	Other Tangible Property - Network - H/W	6.2 P, S, T & D Plant - Customer	89,802	72,623	14,381	727	2,071
147	39906	Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	(299,084)	(241,868)	(47,896)	(2,423)	(6,897)
148	39907	Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
149	39908	Other Tang. Property - Mainframe S/W	6.2 P, S, T & D Plant - Customer	432,702	349,925	69,294	3,505	9,978
150		Retirement Work in Progress	6.2 P, S, T & D Plant - Customer	20,222	16,354	3,236	164	466
151								
152		Total General Plant		653,806	528,731	104,702	5,296	15,077
153								
154		Shared Services General Office:						
155								
156		General:						
157								
158	39000	Structures & Improvements	6.2 P, S, T & D Plant - Customer	304	246	49	2	7
159	39005	G-Structures & Improvements	6.2 P, S, T & D Plant - Customer	34,630	27,925	5,530	280	796
160	39009	Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	422,069	341,326	67,591	3,419	9,733
161	39100	Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	278,940	225,578	44,670	2,260	6,432
162	39102	Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	270	218	43	2	6
163	39103	Office Machines	6.2 P, S, T & D Plant - Customer	133	108	21	1	3
164	39104	G-Office Furniture & Equip.	6.2 P, S, T & D Plant - Customer	92	74	15	1	2
165	39200	Transportation Equipment	6.2 P, S, T & D Plant - Customer	3,709	3,000	594	30	86
166	39300	Stores Equipment	6.2 P, S, T & D Plant - Customer	35	28	6	0	1
167	39400	Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	3,014	2,437	483	24	69
168	39500	Laboratory Equipment	6.2 P, S, T & D Plant - Customer	272	220	44	2	6
169	39700	Communication Equipment	6.2 P, S, T & D Plant - Customer	53,004	42,864	8,486	429	1,222
170	39800	Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	5,212	4,215	835	42	120
171	39900	Other Tangible Property	6.2 P, S, T & D Plant - Customer	3,691	2,985	591	30	85
172	39901	Other Tangible Property - Servers - H/W	6.2 P, S, T & D Plant - Customer	471,992	381,699	75,586	3,823	10,884
173	39902	Other Tangible Property - Servers - S/W	6.2 P, S, T & D Plant - Customer	263,846	213,373	42,253	2,137	6,084
174	39903	Other Tangible Property - Network - H/W	6.2 P, S, T & D Plant - Customer	98,609	79,736	15,790	799	2,274
175	39904	Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	790	639	126	6	18
176	39905	Other Tangible Property - MF - Hardware	6.2 P, S, T & D Plant - Customer	709	574	114	6	16
177	39906	Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	106,602	86,209	17,072	864	2,458
178	39907	Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	39,749	32,137	6,364	322	916
179	39908	Other Tang. Property - Mainframe S/W	6.2 P, S, T & D Plant - Customer	3,301,764	2,670,127	528,754	26,746	76,138
180	39909	Other Tang. Property - Application Software	6.2 P, S, T & D Plant - Customer	125,570	101,548	20,109	1,017	2,898
181	39924	Other Tang. Property - General Startup Costs	6.2 P, S, T & D Plant - Customer	0	0	0	0	0
182		Retirement Work in Progress	6.2 P, S, T & D Plant - Customer	(7)	(6)	(1)	(0)	(0)
183								
184		Total General Plant		5,214,884	4,217,280	835,126	42,244	120,254

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF RESERVE FOR DEPRECIATION

185								
186		Shared Services Customer Support:						
187								
188		General:						
189								
190	38900	Land	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
191	38910	CKV-Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
192	39000	Structures & Improvements	6.2 P, S, T & D Plant - Customer	148,646	126,371	23,637	1,206	3,432
193	39009	Improvement to Leased Premises	6.2 P, S, T & D Plant - Customer	175,681	142,073	28,134	1,423	4,051
194	39010	CKV-Structures & Improvements	6.2 P, S, T & D Plant - Customer	19,635	15,879	3,144	159	453
195	39100	Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	7,125	5,762	1,141	58	164
196	39700	Communication Equipment	6.2 P, S, T & D Plant - Customer	(293,830)	(237,620)	(47,055)	(2,380)	(6,776)
197	39710	CKV-Communication Equipment	6.2 P, S, T & D Plant - Customer	522	422	84	4	12
198	39800	Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	169	136	27	1	4
199	39900	Other Tangible Property	6.2 P, S, T & D Plant - Customer	(49)	(40)	(8)	(0)	(1)
200	39901	Other Tangible Property - Servers - H/W	6.2 P, S, T & D Plant - Customer	(108,108)	(87,426)	(17,313)	(876)	(2,493)
201	39902	Other Tangible Property - Servers - S/W	6.2 P, S, T & D Plant - Customer	(196,128)	(158,609)	(31,409)	(1,589)	(4,523)
202	39903	Other Tangible Property - Network - H/W	6.2 P, S, T & D Plant - Customer	4,589	3,711	735	37	106
203	39906	Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	(5,228)	(4,227)	(837)	(42)	(121)
204	39907	Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	12,951	10,474	2,074	105	299
205	39908	Other Tang. Property - Mainframe S/W	6.2 P, S, T & D Plant - Customer	1,816,710	1,469,168	290,933	14,716	41,893
206	39910	CKV-Other Tangible Property	6.2 P, S, T & D Plant - Customer	176	142	28	1	4
207	39916	CKV-Oth Tang Prop-PC Hardware	6.2 P, S, T & D Plant - Customer	673	544	108	5	16
208	39917	CKV-Oth Tang Prop-PC Software	6.2 P, S, T & D Plant - Customer	192	156	31	2	4
209	39924	Other Tang. Property - General Startup Costs	6.2 P, S, T & D Plant - Customer	7	6	1	0	0
210		Retirement Work in Progress	6.2 P, S, T & D Plant - Customer	(1,125)	(910)	(180)	(9)	(26)
211								
212		Total General Plant		1,582,808	1,280,612	253,475	12,822	36,499
213								
214		TOTAL RESERVE FOR DEPRECIATION - CUSTOMER		131,723,248	107,634,585	19,385,129	854,735	3,848,799

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF RESERVE FOR DEPRECIATION

Demand

Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
215		Intangible Plant:							
216									
217	30100	Organization	6.4	P, S, T & D Plant - Demand	1,315	563	253	23	477
218	30200	Franchises & Consents	6.4	P, S, T & D Plant - Demand	18,917	8,094	3,638	328	6,857
219	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-
220									
221		Total Intangible Plant:			20,232	8,657	3,891	350	7,334
222									
223		Production Plant:							
224									
225	32520	Producing Leaseholds	3.0	Peak Day	904	387	174	16	328
226	32540	Rights of Ways	3.0	Peak Day	12,963	5,547	2,493	224	4,699
227	33100	Production Gas Wells Equipment	3.0	Peak Day	3,492	1,494	672	60	1,266
228	33201	Field Lines	3.0	Peak Day	47,163	20,180	9,070	817	17,096
229	33202	Tributary Lines	3.0	Peak Day	529,956	226,761	101,921	9,175	192,099
230	33400	Field Meas. & Reg. Sta. Equip	3.0	Peak Day	191,854	82,092	36,897	3,322	69,543
231	33600	Purification Equipment	3.0	Peak Day	15,287	6,541	2,940	265	5,541
232									
233		Total Production Plant			801,619	343,002	154,167	13,876	290,571
234									
235		Storage Plant:							
236									
237	35010	Land	3.0	Peak Day	0	-	-	-	-
238	35020	Rights of Way	3.0	Peak Day	2,341	1,002	450	41	848
239	35100	Structures and Improvements	3.0	Peak Day	2,821	1,207	542	49	1,022
240	35102	Compression Station Equipment	3.0	Peak Day	61,058	26,126	11,743	1,057	22,132
241	35103	Meas. & Reg. Sta. Structures	3.0	Peak Day	12,148	5,198	2,336	210	4,403
242	35104	Other Structures	3.0	Peak Day	70,517	30,173	13,562	1,221	25,561
243	35200	Wells \ Rights of Way	3.0	Peak Day	294,918	126,191	56,719	5,106	106,902
244	35201	Well Construction	3.0	Peak Day	591,046	252,900	113,670	10,233	214,243
245	35202	Well Equipment	3.0	Peak Day	286,931	122,774	55,183	4,968	104,007
246	35203	Cushion Gas	3.0	Peak Day	135,191	57,846	26,000	2,341	49,004
247	35210	Leaseholds	3.0	Peak Day	89,310	38,214	17,176	1,546	32,373
248	35211	Storage Rights	3.0	Peak Day	26,849	11,488	5,164	465	9,732
249	35301	Field Lines	3.0	Peak Day	93,711	40,098	18,022	1,622	33,968
250	35302	Tributary Lines	3.0	Peak Day	109,966	47,053	21,149	1,904	39,860
251	35400	Compressor Station Equipment	3.0	Peak Day	194,037	83,026	37,317	3,359	70,335
252	35500	Meas & Reg. Equipment	3.0	Peak Day	120,119	51,397	23,101	2,080	43,541
253	35600	Purification Equipment	3.0	Peak Day	82,090	35,086	15,770	1,420	29,723
254									
255		Total Storage Plant			2,172,961	929,780	417,904	37,629	787,656
256									
257		Transmission:							
258									
259	36510	Land & Land Rights	3.0	Peak Day	16	7	3	0	6
260	36520	Rights of Way	3.0	Peak Day	434,585	185,853	83,578	7,524	157,529
261	36602	Structures & Improvements	3.0	Peak Day	(1,441)	(617)	(277)	(25)	(522)
262	36603	Other Structures	3.0	Peak Day	60,585	25,924	11,652	1,049	21,961
263	36700	Mains Cathodic Protection	3.0	Peak Day	303,101	129,693	58,292	5,248	109,868
264	36701	Mains - Steel	3.0	Peak Day	17,004,632	7,276,052	3,270,931	294,399	6,163,250
265	36900	Meas. & Reg. Equipment	3.0	Peak Day	242,952	103,956	46,724	4,206	88,065
266	36901	Meas. & Reg. Equipment	3.0	Peak Day	1,805,542	772,567	347,242	31,259	654,474
267									
268		Total Transmission Plant			19,849,972	8,493,534	3,817,547	343,660	7,195,230
269									
270		Distribution:							
271									
272	37400	Land & Land Rights	3.0	Peak Day	8,252	3,531	1,587	143	2,991
273	37401	Land	3.0	Peak Day	(1,047)	(448)	(201)	(18)	(380)
274	37402	Land Rights	3.0	Peak Day	8,248	3,529	1,586	143	2,990
275	37403	Land Other	3.0	Peak Day	0	-	-	-	-
276	37500	Structures & Improvements	3.0	Peak Day	14,637	6,263	2,815	253	5,306
277	37501	Structures & Improvements T.B.	3.0	Peak Day	14,173	6,064	2,726	245	5,137
278	37502	Land Rights	3.0	Peak Day	6,735	2,882	1,295	117	2,441
279	37503	Improvements	3.0	Peak Day	156	67	30	3	57
280	37600	Mains Cathodic Protection	3.0	Peak Day	355,686	152,193	68,406	6,158	128,929
281	37601	Mains - Steel	3.0	Peak Day	6,273,957	2,684,541	1,206,607	108,620	2,274,188
282	37602	Mains - Plastic	3.0	Peak Day	1,911,310	817,824	367,563	33,090	692,813
283	37800	Meas & Reg. Sta. Equip - General	3.0	Peak Day	249,404	106,717	47,965	4,318	90,404
284	37900	Meas & Reg. Sta. Equip - City Gate	3.0	Peak Day	57,467	24,589	11,052	995	20,831
285	37905	Meas & Reg. Sta. Equipment T.B.	3.0	Peak Day	174,401	74,624	33,541	3,019	63,217
286	38000	Services	99.0	-	0	-	-	-	-
287	38100	Meters	99.0	-	0	-	-	-	-
288	38200	Meter Installaitons	99.0	-	0	-	-	-	-
289	38300	House Regulators	99.0	-	0	-	-	-	-
290	38400	House Reg. Installations	99.0	-	0	-	-	-	-
291	38500	Ind. Meas. & Reg. Sta. Equipment	99.0	-	0	-	-	-	-
292	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-
293									
294		Total Distribution Plant			9,073,380	3,882,377	1,744,993	157,086	3,288,925

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF RESERVE FOR DEPRECIATION

295								
296		General:						
297								
298	38900	Land & Land Rights	6.4	P, S, T & D Plant - Demand	4,049	1,733	779	70	1,468
299	39000	Structures Frame	6.4	P, S, T & D Plant - Demand	96,748	41,397	18,607	1,675	35,069
300	39002	Improvements	6.4	P, S, T & D Plant - Demand	28,258	12,091	5,435	489	10,243
301	39003	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	84,957	36,352	16,339	1,471	30,795
302	39004	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	1,181	505	227	20	428
303	39009	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	201,615	86,268	38,775	3,491	73,082
304	39100	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	44,201	18,913	8,501	765	16,022
305	39103	Transportation Equipment	6.4	P, S, T & D Plant - Demand	(16,983)	(7,267)	(3,266)	(294)	(6,156)
306	39200	Trucks	6.4	P, S, T & D Plant - Demand	63,629	27,226	12,237	1,102	23,064
307	39201	Trailers	6.4	P, S, T & D Plant - Demand	785	336	151	14	285
308	39202	Stores Equipment	6.4	P, S, T & D Plant - Demand	7,672	3,283	1,475	133	2,781
309	39400	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	60,777	26,006	11,689	1,052	22,030
310	39603	Backhoes	6.4	P, S, T & D Plant - Demand	(25,496)	(10,909)	(4,903)	(441)	(9,242)
311	39604	Welders	6.4	P, S, T & D Plant - Demand	(2,089)	(894)	(402)	(36)	(757)
312	39605	Communication Equipment	6.4	P, S, T & D Plant - Demand	3,377	1,445	649	58	1,224
313	39700	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	(34,054)	(14,571)	(6,549)	(590)	(12,344)
314	39701	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	(3,486)	(1,492)	(670)	(60)	(1,264)
315	39702	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	(5,388)	(2,305)	(1,036)	(93)	(1,953)
316	39705	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	(19,338)	(8,274)	(3,719)	(335)	(7,010)
317	39800	Other Tangible Property	6.4	P, S, T & D Plant - Demand	91,721	39,246	17,640	1,588	33,247
318	39900	Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
319	39901	Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	27,778	11,886	5,342	481	10,069
320	39902	Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	12,399	5,305	2,385	215	4,494
321	39903	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
322	39904	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
323	39905	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
324	39906	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	(322,814)	(138,126)	(62,084)	(5,589)	(117,014)
325	39907	Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
326	39908	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
327		AR 15 general plant amortization	6.4	P, S, T & D Plant - Demand	18,900	8,087	3,636	327	6,851
328		Retirement Work in Progress	6.4	P, S, T & D Plant - Demand	(742,800)	(317,834)	(142,855)	(12,860)	(269,251)
329									
330		Total General Plant			(424,400)	(181,595)	(81,621)	(7,348)	(153,837)
331									
332		TOTAL DIRECT RESERVE FOR DEPRECIATION			31,493,763	13,475,755	6,056,881	545,248	11,415,879
333									
334		Kentucky Mid-States General Office:							
335									
336		Intangible Plant							
337									
338	30100	Organization	99.0	-	0	-	-	-	-
339	30200	Franchises & Consents	99.0	-	0	-	-	-	-
340	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-
341									
342		Total Intangible Plant							
343									
344		General:							
345									
346	39400	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
347	39001	Structures Frame	6.4	P, S, T & D Plant - Demand	3,935	1,684	757	68	1,426
348	39004	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	455	195	88	8	165
349	39009	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	3,874	1,658	745	67	1,404
350	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	5,546	2,373	1,067	96	2,010
351	39200	Transportation Equipment	6.4	P, S, T & D Plant - Demand	604	259	116	10	219
352	39300	Stores Equipment	6.4	P, S, T & D Plant - Demand	282	121	54	5	102
353	39400	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	5,045	2,159	970	87	1,829
354	39600	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	1,221	523	235	21	443
355	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	(1,034)	(442)	(199)	(18)	(375)
356	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	35,042	14,994	6,739	607	12,702
357	39900	Other Tangible Property	6.4	P, S, T & D Plant - Demand	6,077	2,600	1,169	105	2,203
358	39901	Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	16,097	6,888	3,096	279	5,835
359	39902	Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	809	389	175	16	329
360	39903	Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	17,089	7,312	3,287	296	6,194
361	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	(56,914)	(24,353)	(10,946)	(985)	(20,630)
362	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
363	39908	Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	82,342	35,233	15,836	1,426	29,847
364		Retirement Work in Progress	6.4	P, S, T & D Plant - Demand	3,848	1,647	740	67	1,395
365									
366		Total General Plant			124,417	53,236	23,928	2,154	45,089
367									
368		Shared Services General Office:							
369									
370		General:							
371									
372	39000	Structures & Improvements	6.4	P, S, T & D Plant - Demand	58	25	11	1	21
373	39005	G-Structures & Improvements	6.4	P, S, T & D Plant - Demand	6,571	2,812	1,264	114	2,382
374	39009	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	80,316	34,367	15,447	1,391	29,114
375	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	53,081	22,713	10,209	919	19,241
376	39102	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	51	22	10	1	19
377	39103	Office Machines	6.4	P, S, T & D Plant - Demand	25	11	5	0	9
378	39104	G-Office Furniture & Equip.	6.4	P, S, T & D Plant - Demand	18	8	3	0	6
379	39200	Transportation Equipment	6.4	P, S, T & D Plant - Demand	706	302	136	12	256
380	39300	Stores Equipment	6.4	P, S, T & D Plant - Demand	7	3	1	0	2
381	39400	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	573	245	110	10	208
382	39500	Laboratory Equipment	6.4	P, S, T & D Plant - Demand	52	22	10	1	19
383	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	10,086	4,316	1,940	175	3,656
384	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	992	424	191	17	360
385	39900	Other Tangible Property	6.4	P, S, T & D Plant - Demand	702	301	135	12	255
386	39901	Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	89,818	38,432	17,274	1,555	32,557
387	39902	Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	50,209	21,484	9,655	869	18,200
388	39903	Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	18,763	8,029	3,609	325	6,801
389	39904	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	150	64	29	3	54
390	39905	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	135	58	26	2	49
391	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	20,286	8,680	3,901	351	7,353
392	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	7,562	3,236	1,454	131	2,741
393	39908	Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	628,313	268,847	120,837	10,878	227,751
394	39909	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	23,896	10,225	4,598	414	8,662
395	39924	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	0	0	0	0
396		Retirement Work in Progress	6.4	P, S, T & D Plant - Demand	(1)	(1)	(0)	(0)	(1)
397									
398		Total General Plant			992,372	424,623	190,853	17,181	359,716

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF RESERVE FOR DEPRECIATION

399								
400		Shared Services Customer Support:						
401								
402		General:						
403								
404	38900	Land	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
405	38910	CKV-Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
406	39000	Structures & Improvements	6.4	P, S, T & D Plant - Demand	28,325	12,120	5,447	490	10,267
407	39009	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	33,431	14,305	6,430	579	12,118
408	39010	CKV-Structures & Improvements	6.4	P, S, T & D Plant - Demand	3,737	1,599	719	65	1,354
409	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	1,356	580	261	23	492
410	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	(55,915)	(23,925)	(10,754)	(968)	(20,268)
411	39710	CKV-Communication Equipment	6.4	P, S, T & D Plant - Demand	99	42	19	2	36
412	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	32	14	6	1	12
413	39900	Other Tangible Property	6.4	P, S, T & D Plant - Demand	(8)	(4)	(2)	(0)	(3)
414	39901	Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	(20,573)	(8,803)	(3,957)	(356)	(7,457)
415	39902	Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	(37,323)	(15,970)	(7,178)	(646)	(13,529)
416	39903	Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	873	374	168	15	317
417	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	(995)	(426)	(191)	(17)	(361)
418	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	2,465	1,055	474	43	893
419	39908	Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	345,713	147,926	66,488	5,985	125,314
420	39910	CKV-Other Tangible Property	6.4	P, S, T & D Plant - Demand	33	14	6	1	12
421	39916	CKV-Oth Tang Prop-PC Hardware	6.4	P, S, T & D Plant - Demand	128	55	25	2	46
422	39917	CKV-Oth Tang Prop-PC Software	6.4	P, S, T & D Plant - Demand	37	16	7	1	13
423	39924	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	1	1	0	0	0
424		Retirement Work in Progress	6.4	P, S, T & D Plant - Demand	(214)	(92)	(41)	(4)	(78)
425									
426		Total General Plant			301,202	128,889	57,927	5,215	109,180
427									
428		TOTAL RESERVE FOR DEPRECIATION - DEMAND			32,911,754	14,082,494	6,329,589	569,797	11,929,874

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF RESERVE FOR DEPRECIATION

Commodity

Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
429		Intangible Plant							
430									
431	30100	Organization	6.6	P, S, T & D Plant - Commodity	106	33	17	2	55
432	30200	Franchises & Consents	6.6	P, S, T & D Plant - Commodity	1,526	478	238	23	788
433	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-
434									
435		Total Intangible Plant			1,632	511	254	25	842
436									
437		Production Plant							
438									
439	32520	Producing Leaseholds	99.0	-	0	-	-	-	-
440	32540	Rights of Ways	99.0	-	0	-	-	-	-
441	33100	Production Gas Wells Equipment	99.0	-	0	-	-	-	-
442	33201	Field Lines	99.0	-	0	-	-	-	-
443	33202	Tributary Lines	99.0	-	0	-	-	-	-
444	33400	Field Meas. & Reg. Sta. Equip	99.0	-	0	-	-	-	-
445	33500	Purification Equipment	99.0	-	0	-	-	-	-
446									
447		Total Production Plant			0	0	0	0	0
448									
449		Storage Plant:							
450									
451	35010	Land	1.5	Winter Volumes	0	-	-	-	-
452	35020	Rights of Way	1.5	Winter Volumes	2,341	733	365	35	1,208
453	35100	Structures and Improvements	1.5	Winter Volumes	2,821	884	439	42	1,455
454	35102	Compression Station Equipment	1.5	Winter Volumes	61,058	19,126	9,511	916	31,504
455	35103	Meas. & Reg. Sta. Structues	1.5	Winter Volumes	12,148	3,805	1,892	182	6,268
456	35104	Other Structures	1.5	Winter Volumes	70,517	22,089	10,984	1,058	36,385
457	35200	Wells \ Rights of Way	1.5	Winter Volumes	294,918	92,381	45,939	4,427	152,171
458	35201	Well Construction	1.5	Winter Volumes	591,046	185,141	92,057	8,872	304,957
459	35202	Well Equipment	1.5	Winter Volumes	286,931	89,879	44,695	4,307	148,050
460	35203	Cushion Gas	1.5	Winter Volumes	135,191	42,348	21,059	2,029	69,756
461	35210	Leaseholds	1.5	Winter Volumes	89,310	27,976	13,912	1,341	46,082
462	35211	Storage Rights	1.5	Winter Volumes	26,848	8,410	4,182	403	13,854
463	35301	Field Lines	1.5	Winter Volumes	93,711	29,354	14,597	1,407	48,353
464	35302	Tributary Lines	1.5	Winter Volumes	109,966	34,446	17,129	1,651	56,740
465	35400	Compressor Station Equipment	1.5	Winter Volumes	194,037	60,781	30,225	2,913	100,119
466	35500	Meas & Reg. Equipment	1.5	Winter Volumes	120,119	37,626	18,711	1,803	61,979
467	35600	Purification Equipment	1.5	Winter Volumes	82,000	25,686	12,773	1,231	42,310
468									
469		Total Storage Plant			2,172,961	660,663	338,480	32,617	1,121,200
470									
471		Transmission:							
472									
473	36510	Land & Land Rights	99.0	-	0	-	-	-	-
474	36520	Rights of Way	99.0	-	0	-	-	-	-
475	36602	Structures & Improvements	99.0	-	0	-	-	-	-
476	36603	Other Structues	99.0	-	0	-	-	-	-
477	36700	Mains Cathodic Protection	99.0	-	0	-	-	-	-
478	36701	Mains - Steel	99.0	-	0	-	-	-	-
479	36900	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-
480	36901	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-
481									
482		Total Transmission Plant			0	-	-	-	-
483									
484		Distribution:							
485									
486	37400	Land & Land Rights	99.0	-	0	-	-	-	-
487	37401	Land	99.0	-	0	-	-	-	-
488	37402	Land Rights	99.0	-	0	-	-	-	-
489	37403	Land Other	99.0	-	0	-	-	-	-
490	37500	Structures & Improvements	99.0	-	0	-	-	-	-
491	37501	Structures & Improvements T.B.	99.0	-	0	-	-	-	-
492	37502	Land Rights	99.0	-	0	-	-	-	-
493	37503	Improvements	99.0	-	0	-	-	-	-
494	37600	Mains Cathodic Protection	99.0	-	0	-	-	-	-
495	37601	Mains - Steel	99.0	-	0	-	-	-	-
496	37602	Mains - Plastic	99.0	-	0	-	-	-	-
497	37800	Meas & Reg. Sta. Equip - General	99.0	-	0	-	-	-	-
498	37900	Meas & Reg. Sta. Equip - City Gate	99.0	-	0	-	-	-	-
499	37905	Meas & Reg. Sta. Equipment T.B.	99.0	-	0	-	-	-	-
500	38000	Services	99.0	-	0	-	-	-	-
501	38100	Meters	99.0	-	0	-	-	-	-
502	38200	Meter Installaitons	99.0	-	0	-	-	-	-
503	38300	House Regulators	99.0	-	0	-	-	-	-
504	38400	House Reg. Installations	99.0	-	0	-	-	-	-
505	38500	Ind. Meas. & Reg. Sta. Equipment	99.0	-	0	-	-	-	-
506	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-
507									
508		Total Distribution Plant			0	-	-	-	-

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF RESERVE FOR DEPRECIATION

509								
510		General:						
511								
512	38900	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	327	102	51	5	169
513	39000	Structures Frame	6.6	P, S, T & D Plant - Commodity	7,806	2,445	1,216	117	4,028
514	39002	Improvements	6.6	P, S, T & D Plant - Commodity	2,280	714	355	34	1,176
515	39003	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	6,855	2,147	1,068	103	3,537
516	39004	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	95	30	15	1	49
517	39009	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	16,267	5,096	2,534	244	8,393
518	39100	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	3,566	1,117	556	54	1,840
519	39103	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	(1,370)	(429)	(213)	(21)	(707)
520	39200	Trucks	6.6	P, S, T & D Plant - Commodity	5,134	1,608	800	77	2,649
521	39201	Trailers	6.6	P, S, T & D Plant - Commodity	63	20	10	1	33
522	39202	Stores Equipment	6.6	P, S, T & D Plant - Commodity	619	194	96	9	319
523	39400	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	4,804	1,536	764	74	2,530
524	39603	Backhoes	6.6	P, S, T & D Plant - Commodity	(2,057)	(644)	(320)	(31)	(1,061)
525	39604	Welders	6.6	P, S, T & D Plant - Commodity	(169)	(53)	(26)	(3)	(87)
526	39605	Communication Equipment	6.6	P, S, T & D Plant - Commodity	272	85	42	4	141
527	39700	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	(2,748)	(861)	(428)	(41)	(1,416)
528	39701	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	(281)	(88)	(44)	(4)	(145)
529	39702	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	(435)	(136)	(68)	(7)	(224)
530	39705	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	(1,560)	(489)	(243)	(23)	(805)
531	39800	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	7,400	2,318	1,153	111	3,818
532	39900	Other Tangible Property - Servers - H/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
533	39901	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	2,241	702	349	34	1,158
534	39902	Other Tangible Property - Network - H/W	6.6	P, S, T & D Plant - Commodity	1,000	313	156	15	516
535	39903	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
536	39904	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
537	39905	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
538	39906	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	(26,046)	(8,159)	(4,057)	(391)	(13,439)
539	39907	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
540	39908	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
541		AR 15 general plant amortization	6.6	P, S, T & D Plant - Commodity	1,525	478	238	23	787
542		Retirement Work in Progress	6.6	P, S, T & D Plant - Commodity	(59,932)	(18,773)	(9,335)	(900)	(30,923)
543									
544		Total General Plant			(34,242)	(10,726)	(5,334)	(514)	(17,668)
545									
546		TOTAL DIRECT RESERVE FOR DEPRECIATION			2,140,351	670,448	333,401	32,127	1,104,375
547									
548		Kentucky Mid-States General Office:							
549									
550		Intangible Plant							
551									
552	30100	Organization	99.0	-	0	-	-	-	-
553	30200	Franchises & Consents	99.0	-	0	-	-	-	-
554	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-
555									
556		Total Intangible Plant:							
557									
558		General:							
559									
560	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
561	39001	Structures Frame	6.6	P, S, T & D Plant - Commodity	317	99	49	5	164
562	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	37	12	6	1	19
563	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	313	98	49	5	161
564	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	447	140	70	7	231
565	39300	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	49	15	8	1	25
566	39390	Stores Equipment	6.6	P, S, T & D Plant - Commodity	23	7	4	0	12
567	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	407	128	63	6	210
568	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	99	31	15	1	51
569	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	(83)	(26)	(13)	(1)	(43)
570	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	2,827	886	440	42	1,459
571	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	490	154	76	7	253
572	39901	Other Tangible Property - Servers - H/W	6.6	P, S, T & D Plant - Commodity	1,299	407	202	19	670
573	39902	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	73	23	11	1	38
574	39903	Other Tangible Property - Network - H/W	6.6	P, S, T & D Plant - Commodity	1,378	432	215	21	711
575	39905	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	(4,592)	(1,438)	(715)	(69)	(2,369)
576	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
577	39908	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	6,644	2,081	1,035	100	3,428
578		Retirement Work in Progress	6.6	P, S, T & D Plant - Commodity	310	97	48	5	160
579									
580		Total General Plant			10,038	3,144	1,564	151	5,180
581									
582		Shared Services General Office:							
583									
584		General:							
585									
586	39000	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	5	1	1	0	2
587	39005	G-Structures & Improvements	6.6	P, S, T & D Plant - Commodity	530	166	83	8	274
588	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	6,480	2,030	1,009	97	3,344
589	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	4,263	1,342	667	64	2,210
590	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	4	1	1	0	2
591	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	2	1	0	0	1
592	39104	G-Office Furniture & Equip.	6.6	P, S, T & D Plant - Commodity	1	0	0	0	1
593	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	57	18	9	1	29
594	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	1	0	0	0	0
595	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	46	14	7	1	24
596	39500	Laboratory Equipment	6.6	P, S, T & D Plant - Commodity	4	1	1	0	2
597	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	814	255	127	12	420
598	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	80	25	12	1	41
599	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	57	18	9	1	29
600	39901	Other Tangible Property - Servers - H/W	6.6	P, S, T & D Plant - Commodity	7,247	2,270	1,129	109	3,739
601	39902	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	4,051	1,269	631	61	2,090
602	39903	Other Tangible Property - Network - H/W	6.6	P, S, T & D Plant - Commodity	1,514	474	236	23	781
603	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	12	4	2	0	6
604	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	11	3	2	0	6
605	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	1,637	513	255	25	845
606	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	610	191	95	9	315
607	39908	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	50,694	15,880	7,897	761	26,157
608	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	1,926	604	300	29	995
609	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0
610		Retirement Work in Progress	6.6	P, S, T & D Plant - Commodity	(0)	(0)	(0)	(0)	(0)
611									
612		Total General Plant			80,068	25,081	12,472	1,202	41,313

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF RESERVE FOR DEPRECIATION

613								
614		Shared Services Customer Support:						
615								
616		General:						
617								
618	38900	Land	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
619	38910	CKV-Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
620	39000	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	2,285	716	356	34	1,179
621	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	2,697	846	420	40	1,392
622	39010	CKV-Structures & Improvements	6.6	P, S, T & D Plant - Commodity	301	94	47	5	156
623	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	109	34	17	2	56
624	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	(4,511)	(1,413)	(703)	(68)	(2,328)
625	39710	CKV-Communication Equipment	6.6	P, S, T & D Plant - Commodity	8	3	1	0	4
626	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	3	1	0	0	1
627	38800	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	(1)	(0)	(0)	(0)	(0)
628	39901	Other Tangible Property - Servers - H/W	6.6	P, S, T & D Plant - Commodity	(1,660)	(520)	(259)	(25)	(856)
629	39902	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	(3,011)	(943)	(469)	(45)	(1,554)
630	39903	Other Tangible Property - Network - H/W	6.6	P, S, T & D Plant - Commodity	70	22	11	1	36
631	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	(80)	(25)	(13)	(1)	(41)
632	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	199	62	31	3	103
633	38908	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	27,893	8,737	4,345	419	14,392
634	39910	CKV-Other Tangible Property	6.6	P, S, T & D Plant - Commodity	3	1	0	0	1
635	39916	CKV-Oth Tang Prop-PC Hardware	6.6	P, S, T & D Plant - Commodity	10	3	2	0	5
636	39917	CKV-Oth Tang Prop-PC Software	6.6	P, S, T & D Plant - Commodity	3	1	0	0	2
637	38924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0
638		Retirement Work in Progress	6.6	P, S, T & D Plant - Commodity	(17)	(5)	(3)	(0)	(9)
639									
640		Total General Plant			24,302	7,612	3,785	365	12,539
641									
642		TOTAL RESERVE FOR DEPRECIATION - COMMODITY			2,254,750	706,286	351,222	33,845	1,163,407

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF RESERVE FOR DEPRECIATION

Total Reserve for Depreciation

Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
643		Intangible Plant:							
644									
645	30100	Organization			8,330	6,183	1,376	80	691
646	30300	Franchises & Consents			119,853	88,964	19,796	1,156	9,937
647	30300	Misc Intangible Plant			0	-	-	-	-
648									
649		Total Intangible Plant:			128,182	95,147	21,171	1,236	10,628
650									
651		Production Plant:							
652									
653	32520	Producing Leaseholds			904	387	174	16	328
654	32540	Rights of Ways			12,983	5,547	2,493	224	4,699
655	33100	Production Gas Wells Equipment			3,492	1,494	672	60	1,266
656	33201	Field Lines			47,163	20,180	9,070	817	17,096
657	33202	Tributary Lines			529,956	226,761	101,921	9,175	192,099
658	33400	Field Meas. & Reg. Sta. Equip			191,854	82,092	36,897	3,322	69,543
659	33600	Purification Equipment			15,287	6,541	2,940	265	5,541
660									
661		Total Production Plant			801,619	343,002	154,167	13,878	290,571
662									
663		Storage Plant:							
664									
665	35010	Land			0	-	-	-	-
666	35020	Rights of Way			4,682	1,735	816	76	2,056
667	35100	Structures and Improvements			5,641	2,090	982	91	2,478
668	35102	Compression Station Equipment			122,115	45,252	21,254	1,974	53,637
669	35103	Meas. & Reg. Sta. Structures			24,295	9,003	4,228	393	10,671
670	35104	Other Structures			141,034	52,262	24,546	2,279	61,946
671	35200	Wells \ Rights of Way			589,836	218,572	102,658	9,533	259,073
672	35201	Well Construction			1,182,091	438,041	205,737	19,104	519,209
673	35202	Well Equipment			573,862	212,653	99,877	9,275	252,057
674	35203	Cushion Gas			270,382	100,194	47,059	4,370	118,760
675	35210	Leaseholds			176,519	66,190	31,068	2,887	78,455
676	35211	Storage Rights			53,699	19,899	9,346	868	23,586
677	35301	Field Lines			167,422	69,452	32,620	3,029	82,321
678	35302	Tributary Lines			219,931	81,499	38,278	3,554	96,600
679	35400	Compressor Station Equipment			388,075	143,807	67,542	6,272	170,454
680	35500	Meas & Reg. Equipment			240,238	89,024	41,812	3,883	105,519
681	35600	Purification Equipment			163,999	60,772	28,543	2,650	72,033
682									
683		Total Storage Plant			4,345,021	1,610,444	756,364	70,237	1,908,857
684									
685		Transmission:							
686									
687	36510	Land & Land Rights			16	7	3	0	6
688	36520	Rights of Way			434,585	185,953	83,579	7,524	157,529
689	36602	Structures & Improvements			(1,441)	(617)	(277)	(25)	(522)
690	36603	Other Structures			60,585	25,924	11,652	1,049	21,961
691	36700	Mains Cathodic Protection			303,101	129,693	58,292	5,246	109,868
692	36701	Mains - Steel			17,004,632	7,276,052	3,270,331	294,399	6,163,850
693	36900	Meas. & Reg. Equipment			242,952	103,956	46,724	4,206	88,065
694	36901	Meas. & Reg. Equipment			1,805,542	772,567	347,242	31,259	654,474
695									
696		Total Transmission Plant			19,849,972	8,493,534	3,817,547	343,660	7,195,230
697									
698		Distribution:							
699									
700	37400	Land & Land Rights			57,145	46,974	6,919	199	3,052
701	37401	Land			(7,250)	(5,960)	(878)	(25)	(387)
702	37402	Land Rights			57,120	46,954	6,916	199	3,051
703	37403	Land Other			0	-	-	-	-
704	37500	Structures & Improvements			101,365	83,325	12,273	353	5,414
705	37501	Structures & Improvements T.B.			95,146	80,679	11,883	342	5,242
706	37502	Land Rights			46,641	38,340	5,647	163	2,491
707	37503	Improvements			1,092	898	132	4	58
708	37600	Mains Cathodic Protection			2,463,162	2,024,763	298,232	8,587	131,559
709	37601	Mains - Steel			43,447,799	35,715,216	5,260,528	151,473	2,320,582
710	37602	Mains - Plastic			13,236,019	10,880,351	1,602,577	46,145	706,946
711	37800	Meas & Reg. Sta. Equip - General			1,727,152	1,419,764	209,118	6,021	92,249
712	37900	Meas & Reg. Sta. Equip - City Gate			397,966	327,138	48,184	1,387	21,256
713	37905	Meas & Reg. Sta. Equipment T.B.			1,207,742	992,795	146,230	4,211	64,506
714	38000	Services			47,464,180	42,174,115	5,176,114	54,715	59,236
715	38100	Meters			8,831,960	5,306,109	2,970,823	275,508	279,520
716	38200	Meter Installaitons			10,930,016	6,061,931	3,393,998	314,752	319,336
717	38300	House Regulators			3,231,320	1,941,329	1,086,925	100,799	102,267
718	38400	House Reg. Installations			122,845	73,804	41,322	3,832	3,888
719	38500	Ind. Meas. & Reg. Sta. Equipment			2,894,605	-	-	-	2,894,605
720	38600	Other Prop. On Cust. Prem			0	-	-	-	-

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF RESERVE FOR DEPRECIATION

721							
722		Total Distribution Plant	135,469,023	107,208,544	20,276,944	968,665	7,014,870
723							
724		General:					
725							
726	38900	Land & Land Rights	25,654	19,043	4,237	247	2,127
727	39000	Structures Frame	612,960	454,989	101,240	5,911	50,821
728	39002	Improvements	179,032	132,892	29,570	1,726	14,844
729	39003	Air Conditioning Equipment	536,256	399,537	88,901	5,190	44,627
730	39004	Improvement to leased Premises	7,480	5,553	1,236	72	620
731	39009	Office Furniture & Equipment	1,277,383	948,163	210,977	12,317	105,906
732	39100	Remittance Processing Equip	280,045	207,872	46,254	2,700	23,219
733	39103	Transportation Equipment	(107,598)	(79,868)	(17,772)	(1,038)	(8,921)
734	39200	Trucks	403,130	299,236	66,583	3,887	33,424
735	39201	Trailers	4,973	3,691	821	48	412
736	39202	Stores Equipment	48,607	36,080	8,028	469	4,030
737	39400	Power Operated Equipment	385,061	285,824	63,599	3,713	31,925
738	39403	Backhoes	(161,532)	(119,902)	(26,680)	(1,558)	(13,393)
739	39404	Welders	(13,233)	(9,823)	(2,186)	(128)	(1,097)
740	39605	Communication Equipment	21,395	15,881	3,534	206	1,774
741	39700	Communication Equipment - Mobile Radios	(215,752)	(160,148)	(35,635)	(2,080)	(17,888)
742	39701	Communication Equipment - Fixed Radios	(22,087)	(16,395)	(3,648)	(213)	(1,831)
743	39702	Communication Equip. - Telemetering	(34,136)	(25,336)	(5,638)	(329)	(2,830)
744	39705	Miscellaneous Equipment	(122,518)	(90,943)	(20,236)	(1,181)	(10,159)
745	39800	Other Tangible Property	581,115	431,351	95,980	5,603	48,180
746	39900	Other Tangible Property - Servers - H/W	0	-	-	-	-
747	39901	Other Tangible Property - Servers - S/W	175,990	130,634	29,068	1,697	14,591
748	39902	Other Tangible Property - Network - H/W	78,554	58,309	12,974	757	6,513
749	39903	Other Tang. Property - CPU	0	-	-	-	-
750	39904	Other Tangible Property - MF - Hardware	0	-	-	-	-
751	39905	Other Tang. Property - PC Hardware	0	-	-	-	-
752	39906	Other Tang. Property - PC Software	(2,045,235)	(1,518,149)	(337,803)	(19,721)	(169,571)
753	39907	Other Tang. Property - Mainframe S/W	0	-	-	-	-
754	39908	Other Tang. Property - Application Software	0	-	-	-	-
755		AR 15 general plant amortization	119,747	88,886	19,778	1,155	9,928
756		Retirement Work in Progress	(4,706,121)	(3,493,267)	(777,290)	(45,379)	(390,185)
757							
758		Total General Plant	(2,688,852)	(1,995,885)	(444,106)	(25,928)	(222,933)
759							
760		TOTAL DIRECT RESERVE FOR DEPRECIATION	157,895,864	115,754,786	24,582,107	1,371,749	16,197,223
761							
762		Kentucky Mid-States General Office:					
763							
764		Intangible Plant:					
765							
766	30100	Organization	0	-	-	-	-
767	30200	Franchises & Consents	0	-	-	-	-
768	30300	Misc Intangible Plant	0	-	-	-	-
769							
770		Total Intangible Plant:					
771							
772		General:					
773							
774	37400	Land & Land Rights	0	-	-	-	-
775	39001	Structures Frame	24,929	18,504	4,117	240	2,067
776	39004	Air Conditioning Equipment	2,886	2,142	477	28	239
777	39009	Improvement to leased Premises	24,544	18,219	4,054	237	2,035
778	39100	Office Furniture & Equipment	35,136	26,081	5,803	339	2,913
779	39200	Transportation Equipment	3,829	2,842	632	37	317
780	39300	Stores Equipment	1,785	1,325	295	17	148
781	39400	Tools, Shop & Garage Equipment	31,963	23,726	5,279	308	2,650
782	39600	Power Operated Equipment	7,737	5,743	1,278	75	641
783	39700	Communication Equipment	(6,551)	(4,863)	(1,082)	(63)	(543)
784	39800	Miscellaneous Equipment	222,014	164,797	36,669	2,141	18,407
785	39900	Other Tangible Property	38,499	28,577	6,359	371	3,192
786	39901	Other Tangible Property - Servers - H/W	101,983	75,700	16,844	983	8,455
787	39902	Other Tangible Property - Servers - S/W	5,759	4,275	951	56	477
788	39903	Other Tangible Property - Network - H/W	108,270	80,367	17,882	1,044	8,977
789	39906	Other Tang. Property - PC Hardware	(360,590)	(267,650)	(59,557)	(3,477)	(29,897)
790	39907	Other Tang. Property - PC Software	0	-	-	-	-
791	39908	Other Tang. Property - Mainframe S/W	521,687	387,239	86,165	5,030	43,253
792		Retirement Work in Progress	24,381	18,098	4,027	235	2,021
793							
794		Total General Plant	788,261	585,112	130,194	7,601	65,355
795							
796		Shared Services General Office:					
797							
798		General:					
799							
800	39000	Structures & Improvements	367	272	61	4	30
801	39005	G-Structures & Improvements	41,632	30,902	6,876	401	3,452
802	39009	Improvement to leased Premises	508,868	377,723	84,046	4,907	42,190
803	39100	Office Furniture & Equipment	336,303	249,632	55,546	3,243	27,883
804	39102	Remittance Processing Equip	325	241	54	3	27
805	39103	Office Machines	160	119	26	2	13
806	39104	G-Office Furniture & Equip.	111	82	18	1	9
807	39200	Transportation Equipment	4,472	3,320	739	43	371
808	39300	Stores Equipment	42	31	7	0	3
809	39400	Tools, Shop & Garage Equipment	3,633	2,697	600	35	301
810	39500	Laboratory Equipment	328	244	54	3	27
811	39700	Communication Equipment	63,904	47,435	10,555	616	5,298
812	39800	Miscellaneous Equipment	6,284	4,665	1,038	61	521
813	39900	Other Tangible Property	4,450	3,303	735	43	369
814	39901	Other Tangible Property - Servers - H/W	569,058	422,401	93,989	5,487	47,181
815	39902	Other Tangible Property - Servers - S/W	318,108	236,126	52,541	3,067	26,374
816	39903	Other Tangible Property - Network - H/W	118,878	88,241	19,635	1,146	9,856
817	39904	Other Tang. Property - CPU	952	707	157	9	79
818	39905	Other Tangible Property - MF - Hardware	855	635	141	8	71
819	39906	Other Tang. Property - PC Hardware	128,525	95,401	21,228	1,239	10,656
820	39907	Other Tang. Property - PC Software	47,912	35,564	7,913	462	3,972
821	39908	Other Tang. Property - Mainframe S/W	3,980,772	2,954,653	657,487	38,385	330,046
822	39909	Other Tang. Property - Application Software	151,394	112,377	25,005	1,460	12,552
823	39924	Other Tang. Property - General Startup Costs	0	0	0	0	0
824		Retirement Work in Progress	(9)	(7)	(1)	(0)	(1)
825							
826		Total General Plant	6,287,324	4,666,964	1,038,451	60,626	521,283

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF RESERVE FOR DEPRECIATION

827							
828		Shared Services Customer Support:					
829							
830		General:					
831							
832	38900	Land	0	-	-	-	-
833	38910	CKV-Land & Land Rights	0	-	-	-	-
834	39000	Structures & Improvements	179,456	133,207	29,640	1,730	14,879
835	39009	Improvement to leased Premises	211,810	157,223	34,984	2,042	17,561
836	39010	CKV-Structures & Improvements	23,673	17,572	3,910	228	1,963
837	39100	Office Furniture & Equipment	8,591	6,377	1,419	83	712
838	39700	Communication Equipment	(354,256)	(262,956)	(58,511)	(3,416)	(29,371)
839	39710	CKV-Communication Equipment	629	467	104	6	52
840	39800	Miscellaneous Equipment	203	151	34	2	17
841	39900	Other Tangible Property	(59)	(44)	(10)	(1)	(5)
842	39901	Other Tangible Property - Servers - H/W	(130,340)	(96,749)	(21,528)	(1,257)	(10,807)
843	39902	Other Tangible Property - Servers - S/W	(236,463)	(175,522)	(39,056)	(2,280)	(19,605)
844	39903	Other Tangible Property - Network - H/W	5,533	4,107	914	53	459
845	39906	Other Tang. Property - PC Hardware	(6,303)	(4,678)	(1,041)	(61)	(523)
846	39907	Other Tang. Property - PC Software	15,615	11,591	2,579	151	1,295
847	39908	Other Tang. Property - Mainframe S/W	2,190,316	1,625,831	361,765	21,120	181,599
848	39910	CKV-Other Tangible Property	212	157	35	2	18
849	39916	CKV-Oth Tang Prop-PC Hardware	811	602	134	8	67
850	39917	CKV-Oth Tang Prop-PC Software	232	172	38	2	19
851	39924	Other Tang. Property - General Startup Costs	8	6	1	0	1
852		Retirement Work in Progress	(1,356)	(1,007)	(224)	(13)	(112)
853							
854		Total General Plant	1,908,312	1,416,504	315,188	18,401	158,218
855							
856		TOTAL RESERVE FOR DEPRECIATION	166,869,761	122,423,365	26,065,939	1,458,377	16,942,079

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF OTHER RATE BASE

Customer

		Allocation Factor	Allocation Basis	Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
1	Rate Base Additions:							
2								
3	Materials and Supplies - KY Direct	7.2	Allocated O&M Expenses - Cust	(1,946)	(1,631)	(281)	(22)	(12)
4	Materials and Supplies - KY Mid-States GO	7.2	Allocated O&M Expenses - Cust	14,079	11,805	2,039	157	86
5	Materials and Supplies - Shared Services GO	7.2	Allocated O&M Expenses - Cust	0	0	0	0	0
6	Materials and Supplies - Shared Services CS	7.2	Allocated O&M Expenses - Cust	0	-	-	-	-
7	Gas Storage Inventory	99.0	-	0	-	-	-	-
8	Prepayments - KY Direct	7.2	Allocated O&M Expenses - Cust	47,350	39,703	6,826	529	289
9	Prepayments - KY Mid-States GO	7.2	Allocated O&M Expenses - Cust	1,022	857	147	11	6
10	Prepayments - Shared Services GO	7.2	Allocated O&M Expenses - Cust	154,261	129,349	22,247	1,723	942
11	Prepayments - Shared Services CS	7.2	Allocated O&M Expenses - Cust	55,998	46,948	8,074	625	342
12	Cash Working Capital	7.2	Allocated O&M Expenses - Cust	688,061	576,844	99,228	7,687	4,203
13								
14	Total Rate Base Additions			958,817	803,975	138,274	10,711	5,856
15								
16								
17	Rate Base Deductions:							
18								
19	Customer Advances - KY Direct	2.0	Customers	(2,745,576)	(2,439,571)	(299,413)	(3,165)	(3,427)
20	Customer Advances - KY Mid-States GO	2.0	Customers	0	-	-	-	-
21	Customer Advances - Shared Services GO	2.0	Customers	0	-	-	-	-
22	Customer Advances - Shared Services CS	2.0	Customers	0	-	-	-	-
23	ADIT - KY Direct	9.2	Allocated Net Plant - Cust	(60,680,695)	(48,717,186)	(10,124,011)	(543,204)	(1,196,498)
24	ADIT - KY Mid-States GO	9.2	Allocated Net Plant - Cust	17,089,172	13,742,556	2,855,867	153,231	337,518
25	ADIT - Shared Services GO	9.2	Allocated Net Plant - Cust	(1,314,572)	(1,057,136)	(219,666)	(11,787)	(25,963)
26	ADIT - Shared Services CS	9.2	Allocated Net Plant - Cust	5,671,623	4,560,936	947,817	50,855	112,017
27								
28	Total Rate Base Deductions			(41,980,251)	(33,910,402)	(6,839,427)	(354,069)	(776,353)
29								
30								
31	TOTAL OTHER RB - CUSTOMER			(40,921,434)	(33,106,427)	(6,701,152)	(343,358)	(770,496)
32								
33	Interest on Customer Deposits	2.0	Customers	0	-	-	-	-

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF OTHER RATE BASE

Demand

		Allocation Factor	Allocation Basis	Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
41	Rate Base Additions:							
43	Materials and Supplies - KY Direct	7.4	Allocated O&M Expenses - Demand	(191)	(82)	(37)	(3)	(69)
44	Materials and Supplies - KY Mid-States GO	7.4	Allocated O&M Expenses - Demand	1,384	592	266	24	502
45	Materials and Supplies - Shared Services GO	7.4	Allocated O&M Expenses - Demand	0	0	0	0	0
46	Materials and Supplies - Shared Services CS	7.4	Allocated O&M Expenses - Demand	0	-	-	-	-
47	Gas Storage Inventory	99.0	-	0	-	-	-	-
48	Prepayments - KY Direct	7.4	Allocated O&M Expenses - Demand	4,663	1,991	895	81	1,687
49	Prepayments - KY Mid-States GO	7.4	Allocated O&M Expenses - Demand	100	43	19	2	36
50	Prepayments - Shared Services GO	7.4	Allocated O&M Expenses - Demand	15,160	6,487	2,916	262	5,495
51	Prepayments - Shared Services CS	7.4	Allocated O&M Expenses - Demand	5,502	2,354	1,058	95	1,994
52	Cash Working Capital	7.4	Allocated O&M Expenses - Demand	67,618	28,933	13,004	1,171	24,510
54	Total Rate Base Additions			94,226	40,318	18,122	1,631	34,155
57	Rate Base Deductions:							
59	Customer Advances - KY Direct	99.0	-	0	-	-	-	-
60	Customer Advances - KY Mid-States GO	99.0	-	0	-	-	-	-
61	Customer Advances - Shared Services GO	99.0	-	0	-	-	-	-
62	Customer Advances - Shared Services CS	99.0	-	0	-	-	-	-
63	ADIT - KY Direct	9.4	Allocated Net Plant - Demand	(9,589,593)	(4,103,257)	(1,844,271)	(166,023)	(3,476,042)
64	ADIT - KY Mid-States GO	9.4	Allocated Net Plant - Demand	2,705,114	1,157,482	520,247	46,833	980,551
65	ADIT - Shared Services GO	9.4	Allocated Net Plant - Demand	(208,089)	(89,038)	(40,020)	(3,603)	(75,428)
66	ADIT - Shared Services CS	9.4	Allocated Net Plant - Demand	897,784	384,150	172,662	15,543	325,429
68	Total Rate Base Deductions			(6,194,785)	(2,650,665)	(1,191,381)	(107,250)	(2,245,489)
71	TOTAL OTHER RB - DEMAND			(6,100,558)	(2,610,346)	(1,173,259)	(105,618)	(2,211,334)
73	Interest on Customer Deposits	3.0	Peak Day	0	-	-	-	-

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF OTHER RATE BASE

Commodity

	Allocation Factor	Allocation Basis	Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
Rate Base Additions:							
Materials and Supplies - KY Direct	7.6	Allocated O&M Expenses - Comm	(7,300)	(4,484)	(2,508)	(220)	(88)
Materials and Supplies - KY Mid-States GO	7.6	Allocated O&M Expenses - Comm	52,824	32,447	18,152	1,589	636
Materials and Supplies - Shared Services GO	7.6	Allocated O&M Expenses - Comm	0	0	0	0	0
Materials and Supplies - Shared Services CS	7.6	Allocated O&M Expenses - Comm	0	-	-	-	-
Gas Storage Inventory	1.0	Mcf	9,416,216	2,144,409	1,197,098	104,816	5,968,893
Prepayments - KY Direct	7.6	Allocated O&M Expenses - Comm	177,051	109,122	61,048	5,343	2,138
Prepayments - KY Mid-States GO	7.6	Allocated O&M Expenses - Comm	3,833	2,355	1,317	115	46
Prepayments - Shared Services GO	7.6	Allocated O&M Expenses - Comm	578,773	355,511	198,886	17,407	6,967
Prepayments - Shared Services CS	7.6	Allocated O&M Expenses - Comm	210,067	129,034	72,187	6,318	2,529
Cash Working Capital	7.6	Allocated O&M Expenses - Comm	2,581,532	1,585,707	887,111	77,641	31,073
Total Rate Base Additions			13,012,596	4,354,101	2,433,293	213,009	6,012,194
Rate Base Deductions:							
Customer Advances - KY Direct	99.0	-	0	-	-	-	-
Customer Advances - KY Mid-States GO	99.0	-	0	-	-	-	-
Customer Advances - Shared Services GO	99.0	-	0	-	-	-	-
Customer Advances - Shared Services CS	99.0	-	0	-	-	-	-
ADIT - KY Direct	9.6	Allocated Net Plant - Comm	(872,732)	(273,377)	(135,945)	(13,100)	(450,311)
ADIT - KY Mid-States GO	9.6	Allocated Net Plant - Comm	246,188	77,116	38,346	3,695	127,027
ADIT - Shared Services GO	9.6	Allocated Net Plant - Comm	(18,938)	(5,932)	(2,950)	(284)	(9,771)
ADIT - Shared Services CS	9.6	Allocated Net Plant - Comm	81,706	25,594	12,727	1,226	42,158
Total Rate Base Deductions			(563,776)	(176,599)	(87,819)	(8,462)	(290,896)
TOTAL OTHER RB - COMMODITY			12,448,820	4,177,502	2,345,474	204,547	5,721,298
Interest on Customer Deposits	1.0	Mcf	0	-	-	-	-

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF OTHER RATE BASE

Total Other Rate Base

	Allocation Factor	Allocation Basis	Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
Rate Base Additions:							
Materials and Supplies - KY Direct			(9,437)	(6,197)	(2,826)	(245)	(169)
Materials and Supplies - KY Mid-States GO			68,287	44,846	20,449	1,770	1,223
Materials and Supplies - Shared Services GO			0	0	0	0	0
Materials and Supplies - Shared Services CS			0	-	-	-	-
Gas Storage Inventory			9,415,216	2,144,409	1,197,098	104,816	5,968,893
Prepayments - KY Direct			229,654	150,816	68,771	5,952	4,114
Prepayments - KY Mid-States GO			4,956	3,254	1,484	128	89
Prepayments - Shared Services GO			748,194	491,347	224,050	19,393	13,404
Prepayments - Shared Services CS			271,559	178,336	81,326	7,039	4,865
Cash Working Capital			3,337,211	2,191,583	999,343	86,498	59,786
Total Rate Base Additions			14,065,640	5,198,394	2,589,689	225,352	6,052,206
Rate Base Deductions:							
Customer Advances - KY Direct			(2,745,576)	(2,439,571)	(299,413)	(3,165)	(3,427)
Customer Advances - KY Mid-States GO			0	-	-	-	-
Customer Advances - Shared Services GO			0	-	-	-	-
Customer Advances - Shared Services CS			0	-	-	-	-
ADIT - KY Direct			(71,043,224)	(53,093,819)	(12,104,226)	(722,327)	(5,122,850)
ADIT - KY Mid-States GO			20,040,473	14,977,154	3,414,463	203,760	1,445,097
ADIT - Shared Services GO			(1,541,599)	(1,152,107)	(262,655)	(15,674)	(111,163)
ADIT - Shared Services CS			6,661,113	4,970,678	1,133,206	67,625	479,605
Total Rate Base Deductions			(48,638,812)	(36,737,665)	(8,118,627)	(469,781)	(3,312,738)
TOTAL OTHER RB			(34,573,172)	(31,539,272)	(5,528,938)	(244,429)	2,739,467
Interest on Customer Deposits			0	-	-	-	-

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF O&M EXPENSES

Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Customer: Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
1		Production & Gathering:							
2		Operation							
3	7500	Op., Sup., & Eng.	99.0 -		0	-	-	-	-
4	7510	Production Maps & Records	99.0 -		0	-	-	-	-
5	7530	Field Lines Expenses	99.0 -		0	-	-	-	-
6	7540	Field Compressor Station Expense	99.0 -		0	-	-	-	-
7	7550	Field Compressor Sta. Fuel & Pwr.	99.0 -		0	-	-	-	-
8	7560	Field Meas. & Regul. Station Exp	99.0 -		0	-	-	-	-
9	7570	Purification Expense	99.0 -		0	-	-	-	-
10	7590	Other Expenses	99.0 -		0	-	-	-	-
11		Maintenance							
12	7610	Maint. Sup., & Eng.	99.0 -		0	-	-	-	-
13	7620	Structures and Improvements	99.0 -		0	-	-	-	-
14	7640	Field Line Maintenance	99.0 -		0	-	-	-	-
15	7650	Compressor Station Equip. Maint.	99.0 -		0	-	-	-	-
16	7660	Meas. & Regul. Station Equip Maint	99.0 -		0	-	-	-	-
17	7670	Purification Equipment Maintenance	99.0 -		0	-	-	-	-
18	7680	Other Equipment Maintenance	99.0 -		0	-	-	-	-
19	7690	Gas Processed By Others	99.0 -		0	-	-	-	-
20		Total Production & Gathering			0	0	0	0	0
21									
22		Other Gas Supply Expenses:							
23		Operation							
24	8001	Intercompany Gas Well-head Purchases	99.0 -		0	-	-	-	-
25	8010	Natural gas field line purchases	99.0 -		0	-	-	-	-
26	8040	Natural Gas City Gate Purchases	99.0 -		0	-	-	-	-
27	8045	Transportation to City Gate	99.0 -		0	-	-	-	-
28	8050	Transmission-Operation supervision and engineering	99.0 -		0	-	-	-	-
29	8051	Other Gas Purchases / Gas Cost Adjustments	99.0 -		0	-	-	-	-
30	8052	PGA for Commercial	99.0 -		0	-	-	-	-
31	8053	PGA for Industrial	99.0 -		0	-	-	-	-
32	8054	PGA for Public Authority	99.0 -		0	-	-	-	-
33	8057	PGA for Transportation Sales	99.0 -		0	-	-	-	-
34	8058	Unbilled PGA Costs	99.0 -		0	-	-	-	-
35	8059	PGA Offset to Unrecovered Gas Cost	99.0 -		0	-	-	-	-
36	8060	Exchange Gas	99.0 -		0	-	-	-	-
37	8081	Gas Withdrawn From Storage - Debit	99.0 -		0	-	-	-	-
38	8082	Gas Delivered to Storage	99.0 -		0	-	-	-	-
39	8110	Gas used for products extraction-Credit	99.0 -		0	-	-	-	-
40	8120	Gas Used for Other Utility Operations	99.0 -		0	-	-	-	-
41	8130	Other Gas Supply Expenses	99.0 -		0	-	-	-	-
42	8580	Transmission and compression of gas by others	99.0 -		0	-	-	-	-
43		Maintenance							
44	8350	Maint. Of Perch. Gas Meas. Sta.	99.0 -		0	-	-	-	-
45		Total Other Gas Supply Expenses			0	0	0	0	0
46									
47		Underground Storage:							
48		Operation							
49	8140	Op., Sup., & Eng.	99.0 -		0	-	-	-	-
50	8150	Maps & Records	99.0 -		0	-	-	-	-
51	8160	Wells Expense	99.0 -		0	-	-	-	-
52	8170	Lines Expense	99.0 -		0	-	-	-	-
53	8180	Compressor Station Expense	99.0 -		0	-	-	-	-
54	8190	Compressor Station Fuel & Power	99.0 -		0	-	-	-	-
55	8200	Meas. & Regul. Station Expenses	99.0 -		0	-	-	-	-
56	8210	Purification Expenses	99.0 -		0	-	-	-	-
57	8220	Exploration & Development	99.0 -		0	-	-	-	-
58	8230	Gas Losses	99.0 -		0	-	-	-	-
59		Maintenance							
60	8300	Maint. Sup., & Eng.	99.0 -		0	-	-	-	-
61	8310	Structures and Improvements	99.0 -		0	-	-	-	-
62	8320	Reservoirs & Wells Maintenance	99.0 -		0	-	-	-	-
63	8330	Line Maintenance	99.0 -		0	-	-	-	-
64	8340	Compressor Station Equip Maint	99.0 -		0	-	-	-	-
65	8350	Meas. & Regul. Station Equip Maint	99.0 -		0	-	-	-	-
66	8360	Purification Equipment Maintenance	99.0 -		0	-	-	-	-
67	8370	Other Equipment Maintenance	99.0 -		0	-	-	-	-
68		Total Underground Storage Expense			0	0	0	0	0
69									
70		Transmission:							
71		Operation							
72	8500	Op., Sup., & Eng.	99.0 -		0	-	-	-	-
73	8510	System Control & Load Dispatching	99.0 -		0	-	-	-	-
74	8520	Communication Systems Expense	99.0 -		0	-	-	-	-
75	8530	Compressor Station Labor Expense	99.0 -		0	-	-	-	-
76	8540	Compressor Station Fuel Gas	99.0 -		0	-	-	-	-
77	8550	Compressor Station Fuel & Power	99.0 -		0	-	-	-	-
78	8560	Mains Expense	99.0 -		0	-	-	-	-
79	8570	Meas. & Regul. Station Expenses	99.0 -		0	-	-	-	-
80	8580	LDC Payment	99.0 -		0	-	-	-	-
81	8585	LDC Payment - A&G	99.0 -		0	-	-	-	-
82	8590	Other Expenses	99.0 -		0	-	-	-	-
83	8600	Rents	99.0 -		0	-	-	-	-
84		Maintenance							
85	8610	Maint. Sup., & Eng.	99.0 -		0	-	-	-	-
86	8620	Structures and Improvements	99.0 -		0	-	-	-	-
87	8630	Mains	99.0 -		0	-	-	-	-
88	8640	Compressor Station Equip Maint	99.0 -		0	-	-	-	-
89	8650	Meas. & Regul. Station Equip Maint	99.0 -		0	-	-	-	-
90	8660	Communication Equipment Maintenance	99.0 -		0	-	-	-	-
91	8670	Other Equipment Maintenance	99.0 -		0	-	-	-	-
92		Total Transmission Expense			0	0	0	0	0
93									
94		Distribution:							
95		Operation							
96	8700	Supervision and Engineering	10.2	Composite of Accts. 871-879 & 886-893 - Cust	1,269,141	1,040,653	169,578	19,019	9,890
97	8710	Distribution Load Dispatching	99.0 -		0	-	-	-	-
98	8711	Odorization	99.0 -		0	-	-	-	-
99	8720	Compressor Station Labor & Expenses	11.2	Composite of Accts. 375 & 380 - Dist	0	-	-	-	-
100	8740	Mains & Services	12.2	Composite of Accts. 374-379 - Dist	2,586,856	2,298,541	282,105	2,582	3,628
101	8750	Measuring and Regulating Station Exp. - Gen	12.2	Composite of Accts. 374-379 - Dist	228,402	202,883	24,910	283	285
102	8760	Measuring and Regulating Station Exp. - Ind.	4.6	Direct to Industrial	23,764	-	-	23,764	-
103	8770	Measuring and Regulating Sta. Exp. - City Gate	12.2	Composite of Accts. 374-379 - Dist	86,354	58,959	7,226	78	63
104	8780	Meters and House Regulator Expense	13.2	Composite of Accts. 381-383 - Dist	818,400	491,682	275,287	25,529	25,901
105	8790	Customer Installations Expense	2.0	Customers	20,384	18,084	2,221	23	25
106	8800	Other Expense	10.2	Composite of Accts. 871-879 & 886-893 - Cust	127,519	104,562	20,053	1,911	994
107	8810	Rents	10.2	Composite of Accts. 871-879 & 886-893 - Cust	391,951	321,395	61,638	5,874	3,054
108		Maintenance							
109	8850	Maintenance Supervision and Engineering	10.2	Composite of Accts. 871-879 & 886-893 - Cust	2,516	2,063	396	38	20
110	8860	Maintenance of Structures and Improvements	12.2	Composite of Accts. 374-379 - Cust	3,710	3,297	405	4	5
111	8870	Maintenance of Mains	12.2	Composite of Accts. 374-379 - Cust	31,144	27,673	3,390	38	39
112	8890	Maintenance of compressor station equipment	99.0 -		0	-	-	-	-
113	8900	Maint. of Measuring and Regulating Station Equip. - General	12.2	Composite of Accts. 374-379 - Cust	5,295	4,705	577	8	7
114	8910	Maint. of Measuring and Regulating Station Equip. - Industrial	4.6	Direct to Industrial	4,695	-	-	4,695	-
115	8920	Maint. of Measuring and Regulating Station Equip. - City Gate	12.2	Composite of Accts. 374-379 - Dist	11,757	10,448	1,282	14	15
116	8930	Maintenance of Services	14.2	Account 380 - Dist	48,651	42,229	5,306	55	61
117	8940	Maintenance of Meters and House Regulators	13.2	Composite of Accts. 381-383 - Dist	14,595	8,768	4,009	455	482
118	8950	Maintenance of Other Equipment	10.2	Composite of Accts. 871-879 & 886-893 - Cust	0	-	-	-	-
119		Total Distribution			5,665,144	4,637,930	889,298	84,747	44,068

Almos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF O&M EXPENSES

120								
121		Customer Accounts:						
122	9010	Supervision	2.0	Customers	(292)	(179)	(22)	(0)	(0)
123	9020	Meter Reading Expense	2.0	Customers	1,321,394	1,174,120	144,102	1,623	1,649
124	9030	Customer Records and Collection Expenses	2.0	Customers	357,851	317,701	38,902	412	448
125	9040	Uncollectible Accounts	2.0	Customers	324,479	288,314	35,385	374	405
126	9050	Miscellaneous Customer Accounts Expenses	2.0	Customers	0	-	-	-	-
127		Total Customer Accounts			2,003,233	1,779,956	218,468	2,309	2,500
128									
129		Customer Service and Information:							
130	9070	Supervision	2.0	Customers	0	-	-	-	-
131	9080	Customer Assistance Expenses	2.0	Customers	0	-	-	-	-
132	9090	Informational and Instructional Advertising Expenses	2.0	Customers	133,918	118,992	14,604	154	167
133	9100	Miscellaneous Customer Service and Informational Expenses	2.0	Customers	0	-	-	-	-
134		Total Customer Service and Information			133,918	118,992	14,604	154	167
135									
136		Sales:							
137	9110	Supervision	2.0	Customers	218,372	194,034	23,814	252	273
138	9120	Demonstrating and Selling Expenses	2.0	Customers	13,909	12,356	1,517	16	17
139	9130	Advertising Expenses	2.0	Customers	10,934	9,716	1,192	13	14
140	9160	Miscellaneous Sales Expenses	2.0	Customers	0	-	-	-	-
141		Total Sales			243,215	216,108	26,523	280	304
142									
143		Administrative & General:							
144		Operation							
145	9200	Administrative and General Salaries	17.2	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	368,971	308,845	53,930	4,230	2,366
146	9210	Office Supplies and Expenses	17.2	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	(1,300)	(1,088)	(189)	(15)	(8)
147	9220	Administrative Expenses Transferred - Customer Support	2.0	Customers	0	-	-	-	-
148	9230	Administrative Expenses Transferred - General	17.2	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	13,219,213	10,228,621	1,774,736	146,086	76,070
149	9230	Outside Services Employed	17.2	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	148,548	124,339	21,575	1,703	928
150	9240	Property Insurance	9.2	Allocated Net Plant - Cust	53,697	51,223	10,545	571	1,288
151	9250	Injuries and Damages	17.2	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	17,467	14,621	2,537	206	109
152	9260	Employee Pensions and Benefits	17.2	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	3,056,582	2,558,494	443,842	35,042	19,104
153	9270	Franchise Requirements	2.0	Customers	2,845	2,534	310	3	4
154	9280	Regulatory Commission Expenses	2.0	Customers	217,607	193,265	23,720	251	371
155	930.1	General Advertising Expenses	2.0	Customers	0	-	-	-	-
156	930.2	Miscellaneous General Expense	17.2	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	(20,912)	(17,505)	(3,037)	(240)	(131)
157	9310	Rents	17.2	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	7,121	5,851	1,034	82	45
158		Maintenance							
159	9320	Maintenance of General Plant	17.2	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	0	-	-	-	-
160		Total A&G			16,679,732	13,468,706	2,328,662	181,913	100,257
161									
162		TOTAL O&M EXPENSE - CUSTOMER			24,115,231	20,220,767	3,477,745	269,405	147,295

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF O&M EXPENSES

Demand

Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
163		Production & Gathering:							
164		Operation							
165	7500	Op., Sup., & Eng.	99.0	-	0	-	-	-	-
166	7510	Production Maps & Records	99.0	-	0	-	-	-	-
167	7530	Field Lines Expenses	99.0	-	0	-	-	-	-
168	7540	Field Compressor Station Expense	99.0	-	0	-	-	-	-
169	7550	Field Compressor Sta. Fuel & Pwr.	99.0	-	0	-	-	-	-
170	7560	Field Meas. & Regul. Station Exp	99.0	-	0	-	-	-	-
171	7570	Purification Expense	99.0	-	0	-	-	-	-
172	7590	Other Expenses	99.0	-	0	-	-	-	-
173		Maintenance							
174	7610	Maint. Sup., & Eng.	99.0	-	0	-	-	-	-
175	7620	Structures and Improvements	99.0	-	0	-	-	-	-
176	7640	Field Line Maintenance	99.0	-	0	-	-	-	-
177	7650	Compressor Station Equip. Maint.	99.0	-	0	-	-	-	-
178	7660	Meas. & Regul. Station Equip Maint	99.0	-	0	-	-	-	-
179	7670	Purification Equipment Maintenance	99.0	-	0	-	-	-	-
180	7680	Other Equipment Maintenance	99.0	-	0	-	-	-	-
181	7690	Gas Processed By Others	99.0	-	0	-	-	-	-
182		Total Production & Gathering			0	0	0	0	0
183									
184		Other Gas Supply Expenses:							
185		Operation							
186	8001	Intercompany Gas Well-head Purchases	99.0	-	0	-	-	-	-
187	8010	Natural gas field line purchases	99.0	-	0	-	-	-	-
188	8040	Natural Gas City Gate Purchases	99.0	-	0	-	-	-	-
189	8045	Transportation to City Gate	99.0	-	0	-	-	-	-
190	8050	Transmission-Operation supervision and engineering	99.0	-	0	-	-	-	-
191	8051	Other Gas Purchases / Gas Cost Adjustments	99.0	-	0	-	-	-	-
192	8052	PGA for Commercial	99.0	-	0	-	-	-	-
193	8053	PGA for Industrial	99.0	-	0	-	-	-	-
194	8054	PGA for Public Authority	99.0	-	0	-	-	-	-
195	8057	PGA for Transportation Sales	99.0	-	0	-	-	-	-
196	8058	Unbilled PGA Costs	99.0	-	0	-	-	-	-
197	8059	PGA Offset to Unrecovered Gas Cost	99.0	-	0	-	-	-	-
198	8060	Exchange Gas	99.0	-	0	-	-	-	-
199	8081	Gas Withdrawn From Storage - Debit	99.0	-	0	-	-	-	-
200	8082	Gas Delivered to Storage	99.0	-	0	-	-	-	-
201	8110	Gas used for products extraction-Credit	99.0	-	0	-	-	-	-
202	8120	Gas Used for Other Utility Operations	99.0	-	0	-	-	-	-
203	8130	Other Gas Supply Expenses	99.0	-	0	-	-	-	-
204	8580	Transmission and compression of gas by others	99.0	-	0	-	-	-	-
205		Maintenance							
206	8350	Maint. Of Purch. Gas Meas. Sta.	99.0	-	0	-	-	-	-
207		Total Other Gas Supply Expenses			0	0	0	0	0
208									
209		Underground Storage:							
210		Operation							
211	8140	Op., Sup., & Eng.	3.0	Peak Day	(531)	(227)	(102)	(9)	(193)
212	8150	Maps & Records	3.0	Peak Day	0	-	-	-	-
213	8160	Wells Expense	3.0	Peak Day	84,659	38,299	18,310	1,498	26,742
214	8170	Lines Expense	3.0	Peak Day	30,477	13,041	6,661	538	11,047
215	8180	Compressor Station Expense	3.0	Peak Day	12,482	5,332	2,597	216	4,517
216	8190	Compressor Station Fuel & Power	3.0	Peak Day	388	166	75	7	141
217	8200	Meas. & Regul. Station Expenses	3.0	Peak Day	2,395	1,025	461	41	868
218	8210	Purification Expenses	3.0	Peak Day	17,228	7,372	3,313	288	6,245
219	8220	Exploration & Development	3.0	Peak Day	111	48	21	2	40
220	8230	Gas Losses	3.0	Peak Day	6,650	2,974	1,337	126	2,519
221		Maintenance							
222	8300	Maint. Sup., & Eng.	3.0	Peak Day	5,157	2,207	992	89	1,869
223	8310	Structures and Improvements	3.0	Peak Day	0	-	-	-	-
224	8320	Reservoirs & Wells Maintenance	3.0	Peak Day	0	-	-	-	-
225	8330	Line Maintenance	3.0	Peak Day	0	-	-	-	-
226	8340	Compressor Station Equip Maint	3.0	Peak Day	2,532	1,083	487	44	918
227	8350	Meas. & Regul. Station Equip Maint	3.0	Peak Day	0	-	-	-	-
228	8360	Purification Equipment Maintenance	3.0	Peak Day	398	168	71	6	133
229	8370	Other Equipment Maintenance	3.0	Peak Day	0	-	-	-	-
230		Total Underground Storage Expense			162,346	69,456	31,222	2,811	58,847
231									
232		Transmission:							
233		Operation							
234	8500	Op., Sup., & Eng.	3.0	Peak Day	0	-	-	-	-
235	8510	System Control & Load Dispatching	3.0	Peak Day	0	-	-	-	-
236	8520	Communication Systems Expense	3.0	Peak Day	0	-	-	-	-
237	8530	Compressor Station Labor Expense	3.0	Peak Day	0	-	-	-	-
238	8540	Compressor Station Fuel Gas	3.0	Peak Day	0	-	-	-	-
239	8550	Compressor Station Fuel & Power	3.0	Peak Day	0	-	-	-	-
240	8560	Mains Expense	3.0	Peak Day	499,729	213,827	96,108	8,652	181,142
241	8570	Meas. & Regul. Station Expenses	3.0	Peak Day	105,968	44,102	19,822	1,784	37,360
242	8580	LDC Payment	3.0	Peak Day	0	-	-	-	-
243	8581	LDC Payment - AEG	3.0	Peak Day	0	-	-	-	-
244	8590	Other Expenses	3.0	Peak Day	0	-	-	-	-
245	8600	Rents	3.0	Peak Day	0	-	-	-	-
246		Maintenance							
247	8610	Maint. Sup., & Eng.	3.0	Peak Day	0	-	-	-	-
248	8620	Structures and Improvements	3.0	Peak Day	0	-	-	-	-
249	8630	Mains	3.0	Peak Day	20,915	8,564	3,849	347	7,255
250	8640	Compressor Station Equip Maint	3.0	Peak Day	0	-	-	-	-
251	8650	Meas. & Regul. Station Equip Maint	3.0	Peak Day	979	419	188	17	355
252	8660	Communication Equipment Maintenance	3.0	Peak Day	0	-	-	-	-
253	8670	Other Equipment Maintenance	3.0	Peak Day	0	-	-	-	-
254		Total Transmission Expense			623,792	266,912	119,968	10,800	226,112
255									
256		Distribution:							
257		Operation							
258	8700	Supervision and Engineering	10.4	Composite of Accts. 871-879 & 886-893 - Demand	113,552	46,587	21,838	1,966	41,161
259	8710	Distribution Load Dispatching	99.0	-	0	-	-	-	-
260	8711	Odorization	99.0	-	0	-	-	-	-
261	8720	Compressor Station Labor & Expenses	11.4	Composite of Accts. 376 & 380 - Demand	0	-	-	-	-
262	8740	Mains & Services	12.4	Composite of Accts. 374-379 - Demand	287,209	122,893	55,226	4,972	104,108
263	8750	Measuring and Regulating Station Exp. - Gen	12.4	Composite of Accts. 374-379 - Demand	38,561	16,496	7,414	667	13,974
264	8760	Measuring and Regulating Station Exp. - Ind.	99.0	-	0	-	-	-	-
265	8770	Measuring and Regulating Sta. Exp. - City Gate	12.4	Composite of Accts. 374-379 - Demand	11,199	4,792	2,154	194	4,059
266	8780	Meters and House Regulator Expense	13.4	Composite of Accts. 381-383 - Demand	0	-	-	-	-
267	8790	Customer Installations Expense	99.0	-	0	-	-	-	-
268	8800	Other Expense	10.4	Composite of Accts. 871-879 & 886-893 - Demand	11,469	4,682	2,194	195	4,136
269	8810	Rents	10.4	Composite of Accts. 871-879 & 886-893 - Demand	35,069	15,006	6,745	607	12,712
270		Maintenance							
271	8850	Maintenance Supervision and Engineering	10.4	Composite of Accts. 871-879 & 886-893 - Demand	225	96	43	4	82
272	8860	Maintenance of Structures and Improvements	12.4	Composite of Accts. 374-379 - Demand	628	268	120	11	227
273	8870	Maintenance of Mains	12.4	Composite of Accts. 374-379 - Demand	5,268	2,249	1,011	91	1,905
274	8890	Maintenance of compressor station equipment	99.0	-	0	-	-	-	-
275	8900	Maint. of Measuring and Regulating Station Equip. - General	12.4	Composite of Accts. 374-379 - Demand	894	382	172	15	324
276	8910	Maint. of Measuring and Regulating Station Equip. - Industrial	99.0	-	0	-	-	-	-
277	8920	Maint. of Measuring and Regulating Station Equip. - City Gate	12.4	Composite of Accts. 374-379 - Demand	1,984	849	382	34	719
278	8930	Maintenance of Services	14.4	Account 380 - Demand	0	-	-	-	-
279	8940	Maintenance of Meters and House Regulators	13.4	Composite of Accts. 381-383 - Demand	0	-	-	-	-
280	8950	Maintenance of Other Equipment	10.4	Composite of Accts. 871-879 & 886-893 - Demand	0	-	-	-	-
281		Total Distribution			505,976	216,900	97,300	8,760	183,416

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF O&M EXPENSES

282										
283		Customer Accounts:								
284	9010	Supervision	99.0	-	0	-	-	-	-	
285	9020	Meter Reading Expense	99.0	-	0	-	-	-	-	
286	9030	Customer Records and Collection Expenses	99.0	-	0	-	-	-	-	
287	9040	Uncollectible Accounts	99.0	-	0	-	-	-	-	
288	9050	Miscellaneous Customer Accounts Expenses	99.0	-	0	-	-	-	-	
289		Total Customer Accounts			0	-	-	-	-	
290										
291		Customer Service and Information:								
292	9070	Supervision	99.0	-	0	-	-	-	-	
293	9080	Customer Assistance Expenses	99.0	-	0	-	-	-	-	
294	9090	Informational and Instructional Advertising Expenses	99.0	-	0	-	-	-	-	
295	9100	Miscellaneous Customer Service and Informational Expenses	99.0	-	0	-	-	-	-	
296		Total Customer Service and Information			0	-	-	-	-	
297										
298		Sales:								
299	9110	Supervision	99.0	-	0	-	-	-	-	
300	9120	Demonstrating and Selling Expenses	99.0	-	0	-	-	-	-	
301	9130	Advertising Expenses	99.0	-	0	-	-	-	-	
302	9160	Miscellaneous Sales Expenses	99.0	-	0	-	-	-	-	
303		Total Sales			0	-	-	-	-	
304										
305		Administrative & General:								
306		Operation								
307	9200	Administrative and General Salaries	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	24,940	10,672	4,797	432	9,040	
308	9210	Office Supplies and Expenses	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	(88)	(38)	(17)	(2)	(32)	
309	9220	Administrative Expenses Transferred - Customer Support	99.0	-	0	-	-	-	-	
310	9220	Administrative Expenses Transferred - General	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	825,946	353,411	158,846	14,300	299,390	
311	9230	Outside Services Employed	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	10,041	4,296	1,931	174	3,640	
312	9240	Property Insurance	9.4	Allocated Net Plant - Demand	10,053	4,314	1,939	175	3,656	
313	9250	Injuries and Damages	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	1,181	505	227	20	426	
314	9260	Employee Pensions and Benefits	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	266,607	88,404	39,735	3,577	74,891	
315	9270	Franchise Requirements	99.0	-	0	-	-	-	-	
316	9280	Regulatory Commission Expenses	99.0	-	0	-	-	-	-	
317	930.1	General Advertising Expenses	99.0	-	0	-	-	-	-	
318	930.2	Miscellaneous General Expense	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	(1,414)	(605)	(272)	(24)	(512)	
319	9310	Rents	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	481	206	93	8	174	
320		Maintenance								
321	9320	Maintenance of General Plant	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	0	-	-	-	-	
322		Total A&G			1,077,778	461,166	207,278	18,659	390,674	
323										
324		TOTAL O&M EXPENSE - DEMAND			2,389,892	1,014,045	455,778	41,030	859,049	

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF O&M EXPENSES

Commodity

Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
325		Production & Gathering:							
326		Operation							
327	7500	Op., Sup., & Eng.	99.0	-	0	-	-	-	-
328	7510	Production Maps & Records	99.0	-	0	-	-	-	-
329	7530	Field Lines Expenses	99.0	-	0	-	-	-	-
330	7540	Field Compressor Station Expense	99.0	-	0	-	-	-	-
331	7550	Field Compressor Sta. Fuel & Pwr.	99.0	-	0	-	-	-	-
332	7560	Field Meas. & Regul. Station Exp	99.0	-	0	-	-	-	-
333	7570	Purification Expense	99.0	-	0	-	-	-	-
334	7590	Other Expenses	99.0	-	0	-	-	-	-
335		Maintenance							
336	7610	Maint. Sup., & Eng.	99.0	-	0	-	-	-	-
337	7620	Structures and Improvements	99.0	-	0	-	-	-	-
338	7640	Field Line Maintenance	99.0	-	0	-	-	-	-
339	7650	Compressor Station Equip. Maint.	99.0	-	0	-	-	-	-
340	7660	Meas. & Regul. Station Equip Maint	99.0	-	0	-	-	-	-
341	7670	Purification Equipment Maintenance	99.0	-	0	-	-	-	-
342	7680	Other Equipment Maintenance	99.0	-	0	-	-	-	-
343	7690	Gas Processed By Others	99.0	-	0	-	-	-	-
344		Total Production & Gathering			0	0	0	0	0
345									
346		Other Gas Supply Expenses:							
347		Operation							
348	8001	Intercompany Gas Well-head Purchases	18.4	Gas Costs	2,392,628	1,471,475	823,291	72,049	25,812
349	8010	Natural gas field line purchases	18.4	Gas Costs	1,391,696	859,021	478,944	41,914	15,016
350	8040	Natural Gas City Gate Purchases	18.4	Gas Costs	45,614,748	28,053,244	15,695,801	1,373,501	492,093
351	8045	Transportation to City Gate	18.4	Gas Costs	0	-	-	-	-
352	8050	Transmission Operation supervision and engineering	18.4	Gas Costs	(14,067)	(8,652)	(4,841)	(424)	(152)
353	8051	Other Gas Purchases / Gas Cost Adjustments	18.4	Gas Costs	58,021,428	34,453,396	19,270,689	1,686,979	604,361
354	8052	PGA for Commercial	18.4	Gas Costs	26,327,213	16,191,339	9,059,061	792,784	284,019
355	8053	PGA for Industrial	18.4	Gas Costs	5,265,345	3,238,208	1,811,778	158,556	56,803
356	8054	PGA for Public Authority	18.4	Gas Costs	6,496,629	3,995,078	2,235,248	195,616	70,079
357	8057	PGA for Transportation Sales	18.4	Gas Costs	0	-	-	-	-
358	8058	Unbilled PGA Costs	18.4	Gas Costs	(3,827,283)	(2,353,794)	(1,316,949)	(115,251)	(41,289)
359	8059	PGA Offset to Unrecovered Gas Cost	18.4	Gas Costs	(103,417,562)	(63,602,205)	(35,585,460)	(3,114,224)	(1,115,672)
360	8060	Exchange Gas	18.4	Gas Costs	7,269,206	4,482,890	2,508,179	219,501	78,636
361	8061	Gas Withdraws From Storage - Debit	18.4	Gas Costs	26,889,335	16,524,745	9,245,802	809,119	289,667
362	8082	Gas Delivered to Storage	18.4	Gas Costs	(15,191,900)	(9,324,831)	(5,217,135)	(456,572)	(163,587)
363	8110	Gas used for products extraction-Credit	18.4	Gas Costs	0	-	-	-	-
364	8120	Gas Used for Other Utility Operations	18.4	Gas Costs	(17,621)	(10,837)	(6,063)	(531)	(190)
365	8130	Other Gas Supply Expenses	18.4	Gas Costs	(9)	(3)	(2)	(0)	(0)
366	8580	Transmission and compression of gas by others	18.4	Gas Costs	35,035,582	21,547,203	12,055,609	1,055,029	377,966
367		Maintenance							
368	8350	Maint. Of Pareb. Gas Meas. Sta.	18.4	Gas Costs	0	-	-	-	-
369		Total Other Gas Supply Expenses			90,265,244	55,513,478	31,059,814	2,718,187	973,785
370									
371		Underground Storage:							
372		Operation							
373	8140	Op., Sup., & Eng.	1.5	Winter Volumes	(531)	(168)	(83)	(8)	(274)
374	8150	Maps & Records	1.5	Winter Volumes	0	-	-	-	-
375	8160	Wells Expense	1.5	Winter Volumes	54,809	26,566	13,211	1,273	13,759
376	8170	Lines Expense	1.5	Winter Volumes	30,477	9,647	4,747	457	15,725
377	8180	Compressor Station Expense	1.5	Winter Volumes	12,462	3,904	1,941	187	6,430
378	8190	Compressor Station Fuel & Power	1.5	Winter Volumes	358	122	61	6	206
379	8200	Meas. & Regul. Station Expenses	1.5	Winter Volumes	2,395	750	373	36	1,235
380	8210	Purification Expenses	1.5	Winter Volumes	17,228	5,398	2,684	259	8,889
381	8220	Exploration & Development	1.5	Winter Volumes	111	35	17	2	57
382	8230	Gas Losses	1.5	Winter Volumes	6,950	2,177	1,083	104	3,586
383		Maintenance							
384	8300	Maint. Sup., & Eng.	1.5	Winter Volumes	5,157	1,615	803	77	2,661
385	8310	Structures and Improvements	1.5	Winter Volumes	0	-	-	-	-
386	8320	Reservoirs & Wells Maintenance	1.5	Winter Volumes	0	-	-	-	-
387	8330	Line Maintenance	1.5	Winter Volumes	0	-	-	-	-
388	8340	Compressor Station Equip Maint	1.5	Winter Volumes	2,532	793	394	38	1,306
389	8350	Meas. & Regul. Station Equip Maint	1.5	Winter Volumes	0	-	-	-	-
390	8360	Purification Equipment Maintenance	1.5	Winter Volumes	369	116	57	6	190
391	8370	Other Equipment Maintenance	1.5	Winter Volumes	0	-	-	-	-
392		Total Underground Storage Expense			162,945	50,954	25,289	2,437	83,767
393									
394		Transmission:							
395		Operation							
396	8500	Op., Sup., & Eng.	99.0	-	0	-	-	-	-
397	8510	System Control & Load Dispatching	99.0	-	0	-	-	-	-
398	8520	Communication Systems Expense	99.0	-	0	-	-	-	-
399	8530	Compressor Station Labor Expense	99.0	-	0	-	-	-	-
400	8540	Compressor Station Fuel Gas	99.0	-	0	-	-	-	-
401	8550	Compressor Station Fuel & Power	99.0	-	0	-	-	-	-
402	8560	Mains Expense	99.0	-	0	-	-	-	-
403	8570	Meas. & Regul. Station Expenses	99.0	-	0	-	-	-	-
404	8580	LDC Payment	99.0	-	0	-	-	-	-
405	8581	LDC Payment - A&G	99.0	-	0	-	-	-	-
406	8590	Other Expenses	99.0	-	0	-	-	-	-
407	8600	Rents	99.0	-	0	-	-	-	-
408		Maintenance							
409	8610	Maint. Sup., & Eng.	99.0	-	0	-	-	-	-
410	8620	Structures and Improvements	99.0	-	0	-	-	-	-
411	8630	Mains	99.0	-	0	-	-	-	-
412	8640	Compressor Station Equip Maint	99.0	-	0	-	-	-	-
413	8650	Meas. & Regul. Station Equip Maint	99.0	-	0	-	-	-	-
414	8660	Communication Equipment Maintenance	99.0	-	0	-	-	-	-
415	8670	Other Equipment Maintenance	99.0	-	0	-	-	-	-
416		Total Transmission Expense			0	0	0	0	0
417									
418		Distribution:							
419		Operation							
420	8700	Supervision and Engineering	10.6	Composite of Accts. 871-879 & 886-893 - Comm	3,467	790	441	39	2,196
421	8710	Distribution Load Dispatching	1.0	Mcf	293	67	37	3	186
422	8711	Odorization	1.0	Mcf	3,303	752	420	37	2,094
423	8720	Compressor Station Labor & Expenses	99.0	-	0	-	-	-	-
424	8740	Mains & Services	99.0	-	0	-	-	-	-
425	8750	Measuring and Regulating Station Exp. - Gen	99.0	-	0	-	-	-	-
426	8760	Measuring and Regulating Station Exp. - Ind.	99.0	-	0	-	-	-	-
427	8770	Measuring and Regulating Sta. Exp. - City Gate	99.0	-	0	-	-	-	-
428	8780	Meters and House Regulator Expense	99.0	-	0	-	-	-	-
429	8790	Customer Installations Expense	99.0	-	0	-	-	-	-
430	8800	Other Expense	10.6	Composite of Accts. 871-879 & 886-893 - Comm	348	79	44	4	221
431	8810	Rents	10.6	Composite of Accts. 871-879 & 886-893 - Comm	1,071	244	136	12	679
432		Maintenance							
433	8850	Maintenance Supervision and Engineering	10.6	Composite of Accts. 871-879 & 886-893 - Comm	7	2	1	0	4
434	8860	Maintenance of Structures and Improvements	12.2	Composite of Accts. 374-379 - Cust	0	-	-	-	-
435	8870	Maintenance of Mains	12.8	Composite of Accts. 374-379 - Comm	0	-	-	-	-
436	8890	Maintenance of compressor station equipment	1.0	Mcf	6,859	1,565	885	77	4,411
437	8900	Maint. of Measuring and Regulating Station Equip. - General	12.2	Composite of Accts. 374-379 - Cust	0	-	-	-	-
438	8910	Maint. of Measuring and Regulating Station Equip. - Industrial	5.0	Direct to I & T	0	-	-	-	-
439	8920	Maint. of Measuring and Regulating Station Equip. - City Gate	12.2	Composite of Accts. 374-379 - Cust	0	-	-	-	-
440	8930	Maintenance of Services	14.2	Account 380 - Cust	0	-	-	-	-
441	8940	Maintenance of Meters and House Regulators	13.2	Composite of Accts. 381-383 - Cust	0	-	-	-	-
442	8950	Maintenance of Other Equipment	10.2	Composite of Accts. 871-879 & 886-893 - Cust	0	-	-	-	-
443		Total Distribution			15,448	3,518	1,984	172	9,792

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF O&M EXPENSES

444									
445		Customer Accounts:							
446	9010	Supervision	99.0	-	0	-	-	-	-
447	9020	Meter Reading Expense	99.0	-	0	-	-	-	-
448	9030	Customer Records and Collection Expenses	99.0	-	0	-	-	-	-
449	9040	Uncollectible Accounts	99.0	-	0	-	-	-	-
450	9050	Miscellaneous Customer Accounts Expenses	99.0	-	0	-	-	-	-
451		Total Customer Accounts			0	-	-	-	-
452									
453		Customer Service and Information:							
454	9070	Supervision	99.0	-	0	-	-	-	-
455	9080	Customer Assistance Expenses	99.0	-	0	-	-	-	-
456	9090	Informational and Instructional Advertising Expenses	99.0	-	0	-	-	-	-
457	9100	Miscellaneous Customer Service and Informational Expenses	99.0	-	0	-	-	-	-
458		Total Customer Service and Information			0	-	-	-	-
459									
460		Sales:							
461	9110	Supervision	99.0	-	0	-	-	-	-
462	9120	Demonstrating and Selling Expenses	99.0	-	0	-	-	-	-
463	9130	Advertising Expenses	99.0	-	0	-	-	-	-
464	9160	Miscellaneous Sales Expenses	99.0	-	0	-	-	-	-
465		Total Sales			0	-	-	-	-
466									
467		Administrative & General:							
468		Operation							
469	9200	Administrative and General Salaries	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	791	184	102	9	496
470	9210	Office Supplies and Expenses	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	(3)	(1)	(0)	(0)	(2)
471	9220	Administrative Expenses Transferred - Customer Support	99.0	-	0	-	-	-	-
472	9220	Administrative Expenses Transferred - General	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	28,191	6,591	3,572	297	15,431
473	9230	Outside Services Employed	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	318	74	41	4	200
474	9240	Property Insurance	9.5	Allocated Net Plant - Comm	918	287	143	14	473
475	9250	Injuries and Damages	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	37	9	5	0	23
476	9260	Employee Pensions and Benefits	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	8,551	1,524	843	74	4,110
477	9270	Franchise Requirements	99.0	-	0	-	-	-	-
478	9280	Regulatory Commission Expenses	90.0	-	0	-	-	-	-
479	930.1	General Advertising Expenses	95.0	-	0	-	-	-	-
480	930.2	Miscellaneous General Expense	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	(45)	(10)	(6)	(1)	(28)
481	9310	Rents	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	15	4	2	0	10
482		Maintenance							
483	932D	Maintenance of General Plant	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	0	-	-	-	-
484		Total A&G			34,774	8,161	4,602	398	21,713
485									
486		TOTAL O&M EXPENSE - COMMODITY			90,477,810	55,876,011	31,091,568	2,721,173	1,089,058

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF O&M EXPENSES

Total O&M Expenses

Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
487		Production & Gathering:							
488		Operation							
489	7500	Op., Sup., & Eng.			0	0	0	0	0
490	7510	Production Maps & Records			0	0	0	0	0
491	7530	Field Lines Expenses			0	0	0	0	0
492	7540	Field Compressor Station Expense			0	0	0	0	0
493	7550	Field Compressor Sta. Fuel & Pwr.			0	0	0	0	0
494	7560	Field Meas. & Regul. Station Exp.			0	0	0	0	0
495	7570	Purification Expense			0	0	0	0	0
496	7590	Other Expenses			0	0	0	0	0
497		Maintenance							
498	7610	Maint. Sup., & Eng.			0	0	0	0	0
499	7620	Structures and Improvements			0	0	0	0	0
500	7640	Field Line Maintenance			0	0	0	0	0
501	7650	Compressor Station Equip. Maint.			0	0	0	0	0
502	7660	Meas. & Regul. Station Equip Maint			0	0	0	0	0
503	7670	Purification Equipment Maintenance			0	0	0	0	0
504	7680	Other Equipment Maintenance			0	0	0	0	0
505	7690	Gas Processed By Others			0	0	0	0	0
506		Total Production & Gathering			0	0	0	0	0
507									
508		Other Gas Supply Expenses:							
509		Operation							
510	8001	Intercompany Gas Well-head Purchases			2,392,628	1,471,475	823,291	72,049	25,812
511	8010	Natural gas field line purchases			1,391,896	856,021	478,944	41,914	15,016
512	8040	Natural Gas City Gate Purchases			45,614,746	28,053,244	15,695,501	1,373,601	492,093
513	8045	Transportation to City Gate			0	0	0	0	0
514	8050	Transmission-Operation supervision and engineering			(14,067)	(8,652)	(4,841)	(424)	(152)
515	8051	Other Gas Purchases / Gas Cost Adjustments			58,021,428	34,453,399	19,278,889	1,686,979	604,261
516	8052	PGA for Commercial			26,327,213	16,191,339	9,059,061	792,794	284,019
517	8053	PGA for Industrial			5,265,345	3,238,268	1,811,728	158,556	56,803
518	8054	PGA for Public Authority			6,486,629	3,988,978	2,230,248	195,216	69,979
519	8057	PGA for Transportation Sales			0	0	0	0	0
520	8058	Unbilled PGA Costs			(3,827,283)	(2,353,794)	(1,316,949)	(115,261)	(41,289)
521	8059	PGA Offset to Unrecovered Gas Cost			(103,417,562)	(63,602,205)	(35,585,466)	(3,114,224)	(1,115,672)
522	8060	Exchange Gas			7,289,209	4,482,890	2,508,179	219,501	78,639
523	8081	Gas Withdrawn From Storage - Debit			26,899,339	16,524,748	9,249,892	809,119	295,582
524	8082	Gas Delivered to Storage			(16,161,906)	(9,934,631)	(5,217,135)	(456,572)	(163,567)
525	8110	Gas used for products extraction-Credit			0	0	0	0	0
526	8120	Gas Used for Other Utility Operations			(17,521)	(10,837)	(6,063)	(531)	(190)
527	8130	Other Gas Supply Expenses			(5)	(3)	(2)	(0)	(0)
528	8580	Transmission and compression of gas by others			35,035,880	21,547,209	12,055,669	1,055,039	377,963
529		Maintenance							
530	8350	Maint. Of Purch. Gas Meas. Sta.			0	0	0	0	0
531		Total Other Gas Supply Expenses			90,285,244	55,513,478	31,059,614	2,719,167	973,785
532									
533		Underground Storage:							
534		Operation							
535	8140	Op., Sup., & Eng.			(1,082)	(394)	(185)	(17)	(487)
536	8150	Maps & Records			0	0	0	0	0
537	8160	Wells Expense			169,615	62,954	29,501	2,741	74,501
538	8170	Lines Expense			80,854	22,557	10,609	985	26,773
539	8180	Compressor Station Expense			24,924	9,238	4,330	403	10,947
540	8190	Compressor Station Fuel & Power			777	286	135	13	341
541	8200	Meas. & Regul. Station Expenses			4,799	1,775	824	77	2,104
542	8210	Purification Expenses			34,455	12,768	5,997	557	15,134
543	8220	Exploration & Development			223	82	39	4	98
544	8230	Gas Losses			13,900	5,151	2,419	225	6,105
545		Maintenance							
546	8300	Maint. Sup., & Eng.			10,314	3,822	1,795	167	4,530
547	8310	Structures and Improvements			0	0	0	0	0
548	8320	Reservoirs & Wells Maintenance			0	0	0	0	0
549	8330	Lines Maintenance			0	0	0	0	0
550	8340	Compressor Station Equip Maint			6,664	1,877	881	82	2,224
551	8350	Meas. & Regul. Station Equip Maint			0	0	0	0	0
552	8360	Purification Equipment Maintenance			736	273	128	12	323
553	8370	Other Equipment Maintenance			0	0	0	0	0
554		Total Underground Storage Expense			324,699	120,320	56,511	5,248	142,615
555									
556		Transmission:							
557		Operation							
558	8500	Op., Sup., & Eng.			0	0	0	0	0
559	8510	System Control & Load Dispatching			0	0	0	0	0
560	8520	Communication Systems Expense			0	0	0	0	0
561	8530	Compressor Station Labor Expense			0	0	0	0	0
562	8540	Compressor Station Fuel Gas			0	0	0	0	0
563	8550	Compressor Station Fuel & Power			0	0	0	0	0
564	8560	Mains Expense			499,729	313,827	98,108	8,652	181,142
565	8570	Meas. & Regul. Station Expenses			103,668	44,102	19,832	1,764	37,969
566	8580	LDC Payment			0	0	0	0	0
567	8582	LDC Payment - A&G			0	0	0	0	0
568	8590	Other Expenses			0	0	0	0	0
569	8600	Rents			0	0	0	0	0
570		Maintenance							
571	8810	Maint. Sup., & Eng.			0	0	0	0	0
572	8820	Structures and Improvements			0	0	0	0	0
573	8830	Mains			20,815	8,564	3,649	347	7,255
574	8840	Compressor Station Equip Maint			0	0	0	0	0
575	8850	Meas. & Regul. Station Equip Maint			979	418	188	17	355
576	8860	Communication Equipment Maintenance			0	0	0	0	0
577	8870	Other Equipment Maintenance			0	0	0	0	0
578		Total Transmission Expense			625,192	366,912	119,968	10,809	226,112
579									
580		Distribution:							
581		Operation							
582	8700	Supervision and Engineering			1,386,160	1,090,031	221,853	21,024	53,248
583	8710	Distribution Load Dispatching			283	67	37	3	166
584	8711	Odorization			3,303	752	420	37	2,094
585	8720	Compressor Station Labor & Expenses			0	0	0	0	0
586	8740	Mains & Services			2,874,365	2,421,434	337,341	7,954	107,336
587	8750	Measuring and Regulating Station Exp. - Gen			269,973	219,459	32,324	931	14,259
588	8760	Measuring and Regulating Station Exp. - Ind.			23,764	0	0	23,764	0
589	8770	Measuring and Regulating Sta. Exp. - City Gate			77,553	63,751	9,350	270	4,142
590	8780	Meters and House Regulator Expense			318,460	491,682	275,297	25,529	25,901
591	8790	Customer Installations Expense			20,364	18,094	2,231	23	25
592	8800	Other Expense			139,277	108,623	22,292	2,112	5,560
593	8810	Rents			428,101	336,644	68,518	6,493	16,445
594		Maintenance							
595	8850	Maintenance Supervision and Engineering			2,748	2,161	440	42	106
596	8860	Maintenance of Structures and Improvements			4,037	3,565	525	16	232
597	8870	Maintenance of Mains			35,400	29,922	4,407	127	1,944
598	8890	Maintenance of compressor station equipment			6,958	1,585	885	77	4,411
599	8900	Maint. of Measuring and Regulating Station Equip. - General			6,189	5,087	749	22	331
600	8910	Maint. of Measuring and Regulating Station Equip. - Industrial			4,605	0	0	4,605	0
601	8920	Maint. of Measuring and Regulating Station Equip. - City Gate			13,741	11,285	1,664	48	734
602	8930	Maintenance of Services			48,551	43,229	5,306	56	61
603	8940	Maintenance of Meters and House Regulators			14,596	8,768	4,869	455	482
604	8950	Maintenance of Other Equipment			0	0	0	0	0
605		Total Distribution			5,176,556	4,857,948	988,571	93,679	237,297

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF O&M EXPENSES

606								
607		Customer Accounts:						
608	9010	Supervision	(202)	(179)	(22)	(0)	(0)	
609	9020	Meter Reading Expense	1,321,394	1,174,120	144,102	1,523	1,649	
610	9030	Customer Records and Collection Expenses	357,651	317,701	38,992	412	446	
611	9040	Uncollectible Accounts	324,479	288,314	35,385	374	405	
612	9050	Miscellaneous Customer Accounts Expenses	0	0	0	0	0	
613		Total Customer Accounts	2,003,223	1,779,956	218,458	2,309	2,500	
614								
615		Customer Service and Information:						
616	9070	Supervision	0	0	0	0	0	
617	9080	Customer Assistance Expenses	0	0	0	0	0	
618	9090	Informational and Instructional Advertising Expenses	133,818	118,962	14,604	154	167	
619	9100	Miscellaneous Customer Service and Informational Expenses	0	0	0	0	0	
620		Total Customer Service and Information	133,818	118,962	14,604	154	167	
621								
622		Sales:						
623	9110	Supervision	218,372	194,014	23,814	252	273	
624	9120	Demonstrating and Selling Expenses	13,899	12,349	1,517	16	17	
625	9130	Advertising Expenses	10,934	9,715	1,192	13	14	
626	9160	Miscellaneous Sales Expenses	0	0	0	0	0	
627		Total Sales	243,216	216,108	26,523	280	304	
628								
629		Administrative & General:						
630		Operation						
631	9200	Administrative and General Salaries	394,702	319,701	58,466	4,671	11,643	
632	9210	Office Supplies and Expenses	(1,391)	(1,127)	(206)	(16)	(42)	
633	9220	Administrative Expenses Transferred - Customer Support	0	0	0	0	0	
634	9220	Administrative Expenses Transferred - General	13,071,359	10,587,523	1,936,963	154,683	392,191	
635	9230	Outside Services Employed	156,905	128,710	23,547	1,880	4,768	
636	9240	Property Insurance	74,698	65,626	12,727	769	9,386	
637	9250	Injuries and Damages	18,696	15,125	2,769	221	561	
638	9280	Employee Pensions and Benefits	3,269,740	2,648,422	484,520	38,693	98,105	
639	9270	Franchise Requirements	2,846	2,524	319	3	4	
640	9290	Regulatory Commission Expenses	217,507	193,285	23,728	251	271	
641	930.1	General Advertising Expenses	0	0	0	0	0	
642	930.2	Miscellaneous General Expense	(22,371)	(18,120)	(3,315)	(265)	(671)	
643	9310	Rents	7,618	6,170	1,129	90	229	
644		Maintenance						
645	9320	Maintenance of General Plant	0	0	0	0	0	
646		Total A&G	17,192,284	13,938,025	2,540,642	200,971	512,643	
647								
648		TOTAL O&M EXPENSE	116,662,934	76,810,842	35,025,081	3,031,808	2,095,593	

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF DEPRECIATION EXPENSE

Customer

Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
1		Intangible Plant							
2									
3	30100	Organization	99.0	-	0	-	-	-	-
4	30200	Franchises & Consents	99.0	-	0	-	-	-	-
5	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-
6									
7		Total Intangible Plant			0	-	-	-	-
8									
9		Production Plant							
10			99.0	-	0	-	-	-	-
11	32520	Producing Leaseholds	99.0	-	0	-	-	-	-
12	32540	Rights of Ways	99.0	-	0	-	-	-	-
13	33100	Production Gas Wells Equipment	99.0	-	0	-	-	-	-
14	33201	Field Lines	99.0	-	0	-	-	-	-
15	33202	Tributary Lines	99.0	-	0	-	-	-	-
16	33400	Field Meas. & Reg. Sta. Equip	99.0	-	0	-	-	-	-
17	33600	Purification Equipment	99.0	-	0	-	-	-	-
18									
19		Total Production Plant			0	-	-	-	-
20									
21		Storage Plant							
22									
23	35010	Land	99.0	-	0	-	-	-	-
24	35020	Rights of Way	99.0	-	0	-	-	-	-
25	35100	Structures and Improvements	99.0	-	0	-	-	-	-
26	35102	Compression Station Equipment	99.0	-	0	-	-	-	-
27	35103	Meas. & Reg. Sta. Structues	99.0	-	0	-	-	-	-
28	35104	Other Structures	99.0	-	0	-	-	-	-
29	35200	Wells \ Rights of Way	99.0	-	0	-	-	-	-
30	35201	Well Construction	99.0	-	0	-	-	-	-
31	35202	Well Equipment	99.0	-	0	-	-	-	-
32	35203	Cushion Gas	99.0	-	0	-	-	-	-
33	35210	Leaseholds	99.0	-	0	-	-	-	-
34	35211	Storage Rights	99.0	-	0	-	-	-	-
35	35301	Field Lines	99.0	-	0	-	-	-	-
36	35302	Tributary Lines	99.0	-	0	-	-	-	-
37	35400	Compressor Station Equipment	99.0	-	0	-	-	-	-
38	35500	Meas & Reg. Equipment	99.0	-	0	-	-	-	-
39	35600	Purification Equipment	99.0	-	0	-	-	-	-
40									
41		Total Storage Plant			0	-	-	-	-
42									
43		Transmission:							
44									
45	36510	Land & Land Rights	99.0	-	0	-	-	-	-
46	36520	Rights of Way	99.0	-	0	-	-	-	-
47	36602	Structures & Improvements	99.0	-	0	-	-	-	-
48	36603	Other Structues	99.0	-	0	-	-	-	-
49	36700	Mains Cathodic Protection	99.0	-	0	-	-	-	-
50	36701	Mains - Steel	99.0	-	0	-	-	-	-
51	36900	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-
52	36901	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-
53									
54		Total Transmission Plant			0	-	-	-	-
55									
56		Distribution:							
57									
58	37400	Land & Land Rights	2.0	Customers	0	-	-	-	-
59	37401	Land	2.0	Customers	0	-	-	-	-
60	37402	Land Rights	2.0	Customers	3,670	3,261	400	4	5
61	37403	Land Other	2.0	Customers	0	-	-	-	-
62	37500	Structures & Improvements	2.0	Customers	6,284	5,566	683	7	8
63	37501	Structures & Improvements T.B.	2.0	Customers	1,855	1,648	202	2	2
64	37502	Land Rights	2.0	Customers	0	-	-	-	-
65	37503	Improvements	2.0	Customers	73	65	8	0	0
66	37600	Mains Cathodic Protection	2.0	Customers	476,305	423,219	51,942	549	594
67	37601	Mains - Steel	2.0	Customers	2,008,883	1,783,208	216,857	2,313	2,505
68	37602	Mains - Plastic	2.0	Customers	1,338,755	1,189,546	145,995	1,543	1,671
69	37800	Meas & Reg. Sta. Equip - General	2.0	Customers	138,474	123,041	15,101	160	173
70	37900	Meas & Reg. Sta. Equip - City Gate	2.0	Customers	50,386	44,770	5,495	58	63
71	37905	Meas & Reg. Sta. Equipment T.b.	2.0	Customers	31,017	27,560	3,383	36	39
72	38000	Services	2.0	Customers	4,473,918	3,975,283	487,894	5,157	5,584
73	38100	Meters	4.0	Meter Investment	1,773,300	1,665,372	595,488	55,317	56,123
74	38200	Meter Installaitons	4.0	Meter Investment	2,132,918	1,281,425	717,454	66,535	67,504
75	38300	House Regulators	4.0	Meter Investment	235,602	141,546	79,250	7,349	7,456
76	38400	House Reg. Installations	4.0	Meter Investment	3,841	2,308	1,292	120	122
77	38500	Ind. Meas. & Reg. Sta. Equipment	5.0	Direct to I & T	157,854	-	-	-	157,854
78	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-
79									
80		Total Distribution Plant			12,831,117	10,967,819	2,324,445	139,152	299,702

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF DEPRECIATION EXPENSE

81								
82		General:						
83								
84	38900	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
85	39000	Structures Frame	6.2	P, S, T & D Plant - Customer	108,953	88,110	17,448	883	2,512
86	39002	Improvements	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
87	39003	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	22,311	18,043	3,573	181	514
88	39004	Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
89	39009	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	25,081	20,283	4,017	203	578
90	39100	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	80,281	64,923	12,856	650	1,851
91	39103	Transportation Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
92	39200	Trucks	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
93	39201	Trailers	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
94	39202	Stores Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
95	39400	Power Operated Equipment	6.2	P, S, T & D Plant - Customer	112,009	90,581	17,937	907	2,583
96	39603	Backhoes	6.2	P, S, T & D Plant - Customer	6,830	5,523	1,094	55	157
97	39604	Welders	6.2	P, S, T & D Plant - Customer	7,960	6,453	1,278	65	184
98	39605	Communication Equipment	6.2	P, S, T & D Plant - Customer	4,227	3,418	677	34	97
99	39700	Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	20,488	16,569	3,281	166	472
100	39701	Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
101	39702	Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
102	39705	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	6,934	5,608	1,110	56	160
103	39800	Other Tangible Property	6.2	P, S, T & D Plant - Customer	103,748	83,899	16,614	849	2,392
104	39900	Other Tangible Property - Servers - H/W	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
105	39901	Other Tangible Property - Servers - S/W	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
106	39902	Other Tangible Property - Network - H/W	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
107	39903	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
108	39904	Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
109	39905	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
110	39906	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	34,380	27,803	5,506	278	793
111	39907	Other Tang. Property - Mainframe S/W	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
112	39908	Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
113		AR 15 general plant amortization	6.2	P, S, T & D Plant - Customer	211,782	171,268	33,915	1,716	4,884
114									
115									
116		Total General Plant			745,002	602,481	119,307	6,035	17,180
117									
118		TOTAL DIRECT DEPRECIATION EXPENSE			13,576,119	10,670,299	2,443,752	145,187	316,881
119									
120		Kentucky Mid-States General Office:							
121									
122		Intangible Plant:							
123									
124	30100	Organization	99.0	-	0	-	-	-	-
125	30200	Franchises & Consents	99.0	-	0	-	-	-	-
126	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-
127									
128		Total Intangible Plant			0	-	-	-	-
129									
130		General:							
131									
132	37400	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
133	39001	Structures Frame	6.2	P, S, T & D Plant - Customer	2,236	1,808	358	18	52
134	39004	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
135	39009	Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
136	39100	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	1,738	1,406	278	14	40
137	39200	Transportation Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
138	39300	Stores Equipment	6.2	P, S, T & D Plant - Customer	134	109	21	1	3
139	39400	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	3,907	3,159	626	32	90
140	39800	Power Operated Equipment	6.2	P, S, T & D Plant - Customer	502	406	80	4	12
141	39700	Communication Equipment	6.2	P, S, T & D Plant - Customer	1,136	919	182	9	26
142	39800	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	17,166	13,899	2,752	139	396
143	39900	Other Tangible Property	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
144	39901	Other Tangible Property - Servers - H/W	6.2	P, S, T & D Plant - Customer	13,628	11,021	2,182	110	314
145	39902	Other Tangible Property - Servers - S/W	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
146	39903	Other Tangible Property - Network - H/W	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
147	39906	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	54,366	43,965	8,706	440	1,254
148	39907	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
149	39908	Other Tang. Property - Mainframe S/W	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
150									
151									
152		Total General Plant			94,833	76,691	15,187	768	2,187
153									
154		Shared Services General Office:							
155									
156		General:							
157									
158	39000	Structures & Improvements	6.2	P, S, T & D Plant - Customer	187	151	30	2	4
159	39005	G-Structures & Improvements	6.2	P, S, T & D Plant - Customer	3,553	2,873	569	29	82
160	39009	Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	17,359	14,038	2,780	141	400
161	39100	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	17,718	14,328	2,837	144	409
162	39102	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
163	39103	Office Machines	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
164	39104	G-Office Furniture & Equip.	6.2	P, S, T & D Plant - Customer	30	24	5	0	1
165	39200	Transportation Equipment	6.2	P, S, T & D Plant - Customer	1,322	1,069	212	11	30
166	39300	Stores Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
167	39400	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	1,034	836	166	8	24
168	39500	Laboratory Equipment	6.2	P, S, T & D Plant - Customer	191	154	31	2	4
169	39700	Communication Equipment	6.2	P, S, T & D Plant - Customer	7,252	5,865	1,161	59	167
170	39800	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	307	249	49	2	7
171	39900	Other Tangible Property	6.2	P, S, T & D Plant - Customer	1,034	836	166	8	24
172	39901	Other Tangible Property - Servers - H/W	6.2	P, S, T & D Plant - Customer	118,562	95,881	18,987	960	2,734
173	39902	Other Tangible Property - Servers - S/W	6.2	P, S, T & D Plant - Customer	62,399	50,462	9,993	505	1,439
174	39903	Other Tangible Property - Network - H/W	6.2	P, S, T & D Plant - Customer	14,625	11,827	2,342	118	337
175	39904	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
176	39905	Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
177	39906	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	10,599	8,572	1,697	86	244
178	39907	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	3,026	2,448	485	25	70
179	39908	Other Tang. Property - Mainframe S/W	6.2	P, S, T & D Plant - Customer	312,441	252,670	50,035	2,531	7,205
180	39909	Other Tang. Property - Application Softwar	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
181	39924	Other Tang. Property - General Startup Cos	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
182									
183									
184		Total General Plant			571,641	462,284	91,544	4,631	13,182

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF DEPRECIATION EXPENSE

185								
186		Shared Services Customer Support:						
187								
188		General:						
189								
190	38900	Land	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
191	38910	CKV-Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
192	39000	Structures & Improvements	6.2 P, S, T & D Plant - Customer	20,030	16,826	3,352	170	483
193	39009	Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	8,724	7,055	1,397	71	201
194	39010	CKV-Structures & Improvements	6.2 P, S, T & D Plant - Customer	2,289	1,851	367	19	53
195	39100	Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	2,185	1,787	350	18	50
196	39700	Communication Equipment	6.2 P, S, T & D Plant - Customer	5,440	4,399	871	44	125
197	39710	CKV-Communication Equipment	6.2 P, S, T & D Plant - Customer	99	80	16	1	2
198	39800	Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	76	61	12	1	2
199	39900	Other Tangible Property	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
200	39901	Other Tangible Property - Servers - H/W	6.2 P, S, T & D Plant - Customer	23,750	19,207	3,803	192	548
201	39902	Other Tangible Property - Servers - S/W	6.2 P, S, T & D Plant - Customer	11,255	9,102	1,802	91	260
202	39903	Other Tangible Property - Network - H/W	6.2 P, S, T & D Plant - Customer	7,828	6,330	1,254	63	181
203	39906	Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	5,087	4,114	815	41	117
204	39907	Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	1,594	1,289	255	13	37
205	39908	Other Tang. Property - Mainframe S/W	6.2 P, S, T & D Plant - Customer	304,128	245,947	48,704	2,464	7,013
206	39910	CKV-Other Tangible Property	6.2 P, S, T & D Plant - Customer	108	87	17	1	2
207	39916	CKV-Oth Tang Prop-PC Hardware	6.2 P, S, T & D Plant - Customer	112	91	18	1	3
208	39917	CKV-Oth Tang Prop-PC Software	6.2 P, S, T & D Plant - Customer	40	32	6	0	1
209	39924	Other Tang. Property - General Startup Costs	6.2 P, S, T & D Plant - Customer	0	-	-	-	-
210								
211								
212		Total General Plant		393,645	318,340	63,039	3,169	9,077
213								
214		TOTAL DEPRECIATION EXPENSE - CUSTOMER		14,636,238	11,527,614	2,613,522	153,774	341,327

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF DEPRECIATION EXPENSE

Demand

Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
215		Intangible Plant:							
216									
217	30100	Organization	99.0	-	0	-	-	-	-
218	30200	Franchises & Consents	99.0	-	0	-	-	-	-
219	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-
220									
221		Total Intangible Plant			0	-	-	-	-
222									
223		Production Plant:							
224			3.0	Peak Day	0	-	-	-	-
225	32520	Producing Leaseholds	3.0	Peak Day	51	22	10	1	19
226	32540	Rights of Ways	3.0	Peak Day	1,699	727	327	29	616
227	33100	Production Gas Wells Equipment	3.0	Peak Day	0	-	-	-	-
228	33201	Field Lines	3.0	Peak Day	0	-	-	-	-
229	33202	Tributary Lines	3.0	Peak Day	0	-	-	-	-
230	33400	Field Meas. & Reg. Sta. Equip	3.0	Peak Day	3,001	1,284	577	52	1,088
231	33600	Purification Equipment	3.0	Peak Day	996	426	191	17	361
232									
233		Total Production Plant			5,747	2,459	1,105	100	2,083
234									
235		Storage Plant:							
236									
237	35010	Land	3.0	Peak Day	0	-	-	-	-
238	35020	Rights of Way	3.0	Peak Day	0	-	-	-	-
239	35100	Structures and Improvements	3.0	Peak Day	146	63	28	3	53
240	35102	Compression Station Equipment	3.0	Peak Day	852	365	164	15	309
241	35103	Meas. & Reg. Sta. Structues	3.0	Peak Day	0	-	-	-	-
242	35104	Other Structures	3.0	Peak Day	0	-	-	-	-
243	35200	Wells \ Rights of Way	3.0	Peak Day	41,072	17,574	7,899	711	14,888
244	35201	Well Construction	3.0	Peak Day	9,519	4,073	1,831	165	3,451
245	35202	Well Equipment	3.0	Peak Day	0	-	-	-	-
246	35203	Cushion Gas	3.0	Peak Day	14,678	6,280	2,823	254	5,320
247	35210	Leaseholds	3.0	Peak Day	0	-	-	-	-
248	35211	Storage Rights	3.0	Peak Day	191	82	37	3	69
249	35301	Field Lines	3.0	Peak Day	0	-	-	-	-
250	35302	Tributary Lines	3.0	Peak Day	0	-	-	-	-
251	35400	Compressor Station Equipment	3.0	Peak Day	7,549	3,228	1,451	131	2,734
252	35500	Meas & Reg. Equipment	3.0	Peak Day	871	373	168	15	316
253	35600	Purification Equipment	3.0	Peak Day	55	24	11	1	20
254									
255		Total Storage Plant			74,928	32,061	14,419	1,297	27,160
256									
257		Transmission:							
258									
259	36510	Land & Land Rights	3.0	Peak Day	0	-	-	-	-
260	36520	Rights of Way	3.0	Peak Day	13,066	5,591	2,513	226	4,736
261	36602	Structures & Improvements	3.0	Peak Day	867	380	171	15	322
262	36603	Other Structures	3.0	Peak Day	734	314	141	13	266
263	36700	Mains Cathodic Protection	3.0	Peak Day	19,980	8,549	3,843	346	7,242
264	36701	Mains - Steel	3.0	Peak Day	578,413	247,495	111,240	10,014	209,664
265	36900	Meas. & Reg. Equipment	3.0	Peak Day	12,003	5,136	2,308	208	4,351
266	36901	Meas. & Reg. Equipment	3.0	Peak Day	45,879	19,631	8,823	794	16,630
267									
268		Total Transmission Plant			670,963	287,096	129,040	11,616	243,211
269									
270		Distribution:							
271									
272	37400	Land & Land Rights	3.0	Peak Day	0	-	-	-	-
273	37401	Land	3.0	Peak Day	0	-	-	-	-
274	37402	Land Rights	3.0	Peak Day	619	265	119	11	225
275	37405	Land Other	3.0	Peak Day	0	-	-	-	-
276	37500	Structures & Improvements	3.0	Peak Day	1,057	452	203	18	383
277	37501	Structures & Improvements T.B.	3.0	Peak Day	313	134	60	5	113
278	37502	Land Rights	3.0	Peak Day	0	-	-	-	-
279	37503	Improvements	3.0	Peak Day	12	5	2	0	4
280	37600	Mains Cathodic Protection	3.0	Peak Day	80,388	34,397	15,460	1,392	29,139
281	37601	Mains - Steel	3.0	Peak Day	338,709	144,929	65,140	5,864	122,775
282	37602	Mains - Plastic	3.0	Peak Day	225,946	96,679	43,454	3,912	81,901
283	37800	Meas & Reg. Sta. Equip - General	3.0	Peak Day	23,371	10,000	4,495	405	8,471
284	37900	Meas & Reg. Sta. Equip - City Gate	3.0	Peak Day	8,504	3,639	1,635	147	3,082
285	37905	Meas & Reg. Sta. Equipment T.B.	3.0	Peak Day	5,235	2,240	1,007	91	1,898
286	38000	Services	99.0	-	0	-	-	-	-
287	38100	Meters	99.0	-	0	-	-	-	-
288	38200	Meter Installaitons	99.0	-	0	-	-	-	-
289	38300	House Regulators	99.0	-	0	-	-	-	-
290	38400	House Reg. Installations	99.0	-	0	-	-	-	-
291	38500	Ind. Meas. & Reg. Sta. Equipment	99.0	-	0	-	-	-	-
292	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-
293									
294		Total Distribution Plant			684,154	292,740	131,576	11,845	247,993

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF DEPRECIATION EXPENSE

295								
296		General:						
297								
298	38900	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
299	39000	Structures Frame	6.4	P, S, T & D Plant - Demand	20,733	8,872	3,967	359	7,515
300	39002	Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
301	39003	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	4,246	1,817	817	74	1,539
302	39004	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
303	39009	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	4,773	2,042	918	83	1,730
304	39100	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	15,277	6,537	2,938	264	5,538
305	39103	Transportation Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
306	39200	Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
307	39201	Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
308	39202	Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
309	39400	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	21,315	9,120	4,099	369	7,726
310	39403	Backhoes	6.4	P, S, T & D Plant - Demand	1,300	556	250	23	471
311	39404	Welders	6.4	P, S, T & D Plant - Demand	1,519	650	292	26	550
312	39405	Communication Equipment	6.4	P, S, T & D Plant - Demand	804	344	155	14	292
313	39700	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	3,899	1,668	750	67	1,413
314	39701	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
315	39702	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
316	39705	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	1,320	565	254	23	478
317	39800	Other Tangible Property	6.4	P, S, T & D Plant - Demand	19,742	8,448	3,797	342	7,156
318	39900	Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
319	39901	Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
320	39902	Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
321	39903	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
322	39904	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
323	39905	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
324	39906	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	6,542	2,799	1,258	113	2,371
325	39907	Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
326	39908	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
327		AR 15 general plant amortization	6.4	P, S, T & D Plant - Demand	40,391	17,244	7,751	698	14,698
328									
329									
330		Total General Plant			141,771	60,662	27,265	2,454	51,389
331									
332		TOTAL DIRECT DEPRECIATION EXPENSE			1,577,563	675,018	303,397	27,312	571,836
333									
334		Kentucky Mid-States General Office:							
335									
336		Intangible Plant:							
337									
338	30100	Organization	99.0	-	0	-	-	-	-
339	30200	Franchises & Consents	99.0	-	0	-	-	-	-
340	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-
341									
342		Total Intangible Plant:			0	-	-	-	-
343									
344		General:							
345									
346	37400	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
347	39001	Structures Frame	6.4	P, S, T & D Plant - Demand	425	182	82	7	154
348	39004	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
349	39009	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
350	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	331	142	64	6	120
351	39200	Transportation Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
352	39300	Stores Equipment	6.4	P, S, T & D Plant - Demand	26	11	5	0	9
353	39400	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	743	318	143	13	269
354	39600	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	96	41	18	2	35
355	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	216	93	42	4	78
356	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	3,270	1,399	629	57	1,185
357	39900	Other Tangible Property	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
358	39901	Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	2,593	1,110	499	45	940
359	39902	Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
360	39903	Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
361	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	10,346	4,427	1,990	179	3,750
362	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
363	39908	Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
364									
365									
366		Total General Plant			18,046	7,722	3,471	312	6,541
367									
368		Shared Services General Office:							
369									
370		General:							
371									
372	39000	Structures & Improvements	6.4	P, S, T & D Plant - Demand	36	15	7	1	13
373	39005	G-Structures & Improvements	6.4	P, S, T & D Plant - Demand	676	289	130	12	245
374	39009	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	3,303	1,413	635	57	1,197
375	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	3,372	1,443	648	58	1,222
376	39102	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
377	39103	Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
378	39104	G-Office Furniture & Equip.	6.4	P, S, T & D Plant - Demand	6	2	1	0	2
379	39200	Transportation Equipment	6.4	P, S, T & D Plant - Demand	252	108	48	4	91
380	39300	Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
381	39400	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	197	84	38	3	71
382	39500	Laboratory Equipment	6.4	P, S, T & D Plant - Demand	36	16	7	1	13
383	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	1,390	591	266	24	500
384	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	58	25	11	1	21
385	39900	Other Tangible Property	6.4	P, S, T & D Plant - Demand	197	84	38	3	71
386	39901	Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	22,562	9,854	4,339	391	8,178
387	39902	Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	11,874	5,061	2,284	206	4,304
388	39903	Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	2,783	1,191	535	48	1,009
389	39904	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
390	39905	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
391	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	2,017	863	388	35	731
392	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	576	247	111	10	209
393	39908	Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	59,456	25,441	11,435	1,029	21,552
394	39909	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
395	39924	Other Tang. Property - General Startup Cos	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
396									
397									
398		Total General Plant			108,781	46,546	20,921	1,883	39,431

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF DEPRECIATION EXPENSE

399								
400		Shared Services Customer Support:						
401								
402		General:						
403								
404	38900	Land	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
405	38910	CKV-Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
406	39000	Structures & Improvements	6.4	P, S, T & D Plant - Demand	3,963	1,704	766	69	1,444
407	39009	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	1,660	710	319	29	602
408	39010	CKV-Structures & Improvements	6.4	P, S, T & D Plant - Demand	436	186	84	8	158
409	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	416	176	80	7	151
410	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	1,035	443	199	18	375
411	39710	CKV-Communication Equipment	6.4	P, S, T & D Plant - Demand	19	8	4	0	7
412	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	14	6	3	0	5
413	39900	Other Tangible Property	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
414	39901	Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	4,620	1,934	869	78	1,638
415	39902	Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	2,142	916	412	37	776
416	39903	Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	1,490	637	286	26	540
417	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	968	414	186	17	351
418	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	303	130	58	5	110
419	39908	Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	57,874	24,764	11,130	1,092	20,975
420	39910	CKV-Other Tangible Property	6.4	P, S, T & D Plant - Demand	21	9	4	0	7
421	39916	CKV-Oth Tang Prop-PC Hardware	6.4	P, S, T & D Plant - Demand	21	9	4	0	8
422	39917	CKV-Oth Tang Prop-PC Software	6.4	P, S, T & D Plant - Demand	8	3	1	0	3
423	39924	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
424									
425									
426		Total General Plant			74,909	32,053	14,407	1,297	27,153
427									
428		TOTAL DEPRECIATION EXPENSE - DEMAND			1,779,390	761,338	342,195	30,805	644,862

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF DEPRECIATION EXPENSE

Commodity

Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
429		Intangible Plant:							
430									
431	30100	Organization	99.0	-	0	-	-	-	-
432	30200	Franchises & Consents	99.0	-	0	-	-	-	-
433	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-
434									
435		Total Intangible Plant			0	-	-	-	-
436									
437		Production Plant							
438			99.0	-	0	-	-	-	-
439	32520	Producing Leaseholds	99.0	-	0	-	-	-	-
440	32540	Rights of Ways	99.0	-	0	-	-	-	-
441	33100	Production Gas Wells Equipment	99.0	-	0	-	-	-	-
442	33201	Field Lines	99.0	-	0	-	-	-	-
443	33202	Tributary Lines	99.0	-	0	-	-	-	-
444	33400	Field Meas. & Reg. Sta. Equip	99.0	-	0	-	-	-	-
445	33600	Purification Equipment	99.0	-	0	-	-	-	-
446									
447		Total Production Plant			0	-	-	-	-
448									
449		Storage Plant:							
450									
451	35010	Land	1.5	Winter Volumes	0	-	-	-	-
452	35020	Rights of Way	1.5	Winter Volumes	0	-	-	-	-
453	35100	Structures and Improvements	1.5	Winter Volumes	146	46	23	2	76
454	35102	Compression Station Equipment	1.5	Winter Volumes	852	267	133	13	440
455	35103	Meas. & Reg. Sta. Structues	1.5	Winter Volumes	0	-	-	-	-
456	35104	Other Structures	1.5	Winter Volumes	0	-	-	-	-
457	35200	Wells \ Rights of Way	1.5	Winter Volumes	41,072	12,865	6,398	617	21,192
458	35201	Well Construction	1.5	Winter Volumes	9,519	2,982	1,483	143	4,912
459	35202	Well Equipment	1.5	Winter Volumes	0	-	-	-	-
460	35203	Cushion Gas	1.5	Winter Volumes	14,678	4,598	2,286	220	7,574
461	35210	Leaseholds	1.5	Winter Volumes	0	-	-	-	-
462	35211	Storage Rights	1.5	Winter Volumes	191	60	30	3	98
463	35301	Field Lines	1.5	Winter Volumes	0	-	-	-	-
464	35302	Tributary Lines	1.5	Winter Volumes	0	-	-	-	-
465	35400	Compressor Station Equipment	1.5	Winter Volumes	7,543	2,363	1,175	113	3,892
466	35500	Meas & Reg. Equipment	1.5	Winter Volumes	871	273	136	13	450
467	35600	Purification Equipment	1.5	Winter Volumes	55	17	9	1	28
468									
469		Total Storage Plant			74,928	23,471	11,671	1,125	38,661
470									
471		Transmission:							
472									
473	36510	Land & Land Rights	99.0	-	0	-	-	-	-
474	36520	Rights of Way	99.0	-	0	-	-	-	-
475	36602	Structures & Improvements	99.0	-	0	-	-	-	-
476	36603	Other Structues	99.0	-	0	-	-	-	-
477	36700	Mains Cathodic Protection	99.0	-	0	-	-	-	-
478	36701	Mains - Steel	99.0	-	0	-	-	-	-
479	36900	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-
480	36901	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-
481									
482		Total Transmission Plant			0	-	-	-	-
483									
484		Distribution:							
485									
486	37400	Land & Land Rights	99.0	-	0	-	-	-	-
487	37401	Land	99.0	-	0	-	-	-	-
488	37402	Land Rights	99.0	-	0	-	-	-	-
489	37403	Land Other	99.0	-	0	-	-	-	-
490	37500	Structures & Improvements	99.0	-	0	-	-	-	-
491	37501	Structures & Improvements T.B.	99.0	-	0	-	-	-	-
492	37502	Land Rights	99.0	-	0	-	-	-	-
493	37503	Improvements	99.0	-	0	-	-	-	-
494	37600	Mains Cathodic Protection	99.0	-	0	-	-	-	-
495	37601	Mains - Steel	99.0	-	0	-	-	-	-
496	37602	Mains - Plastic	99.0	-	0	-	-	-	-
497	37800	Meas & Reg. Sta. Equip - General	99.0	-	0	-	-	-	-
498	37900	Meas & Reg. Sta. Equip - City Gate	99.0	-	0	-	-	-	-
499	37905	Meas & Reg. Sta. Equipment T.B.	99.0	-	0	-	-	-	-
500	38000	Services	99.0	-	0	-	-	-	-
501	38100	Meters	99.0	-	0	-	-	-	-
502	38200	Meter Installaitons	99.0	-	0	-	-	-	-
503	38300	House Regulators	99.0	-	0	-	-	-	-
504	38400	House Reg. Installations	99.0	-	0	-	-	-	-
505	38500	Ind. Meas. & Reg. Sta. Equipment	99.0	-	0	-	-	-	-
506	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-
507									
508		Total Distribution Plant			0	-	-	-	-

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF DEPRECIATION EXPENSE

509								
510		General:						
511								
512	38900	Land & Land Rights	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
513	39000	Structures Frame	6.6 P, S, T & D Plant - Commodity	1,673	524	261	25	863
514	39002	Improvements	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
515	39003	Air Conditioning Equipment	6.6 P, S, T & D Plant - Commodity	343	107	53	5	177
516	39004	Improvement to leased Premises	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
517	39009	Office Furniture & Equipment	6.6 P, S, T & D Plant - Commodity	385	121	60	6	199
518	39100	Remittance Processing Equip	6.6 P, S, T & D Plant - Commodity	1,233	386	192	19	636
519	39103	Transportation Equipment	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
520	39200	Trucks	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
521	39201	Trailers	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
522	39202	Stores Equipment	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
523	39400	Power Operated Equipment	6.6 P, S, T & D Plant - Commodity	1,720	539	268	26	887
524	39403	Backhoes	6.6 P, S, T & D Plant - Commodity	105	33	16	2	54
525	39404	Welders	6.6 P, S, T & D Plant - Commodity	123	38	19	2	63
526	39405	Communication Equipment	6.6 P, S, T & D Plant - Commodity	65	20	10	1	33
527	39700	Communication Equipment - Mobile Radios	6.6 P, S, T & D Plant - Commodity	315	98	49	5	162
528	39701	Communication Equipment - Fixed Radios	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
529	39702	Communication Equip. - Telemetering	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
530	39705	Miscellaneous Equipment	6.6 P, S, T & D Plant - Commodity	106	33	17	2	55
531	39800	Other Tangible Property	6.6 P, S, T & D Plant - Commodity	1,593	499	248	24	822
532	39900	Other Tangible Property - Servers - H/W	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
533	39901	Other Tangible Property - Servers - S/W	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
534	39902	Other Tangible Property - Network - H/W	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
535	39903	Other Tang. Property - CPU	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
536	39904	Other Tangible Property - MF - Hardware	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
537	39905	Other Tang. Property - PC Hardware	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
538	39906	Other Tang. Property - PC Software	6.6 P, S, T & D Plant - Commodity	528	165	82	8	272
539	39907	Other Tang. Property - Mainframe S/W	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
540	39908	Other Tang. Property - Application Software	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
541		AR 15 general plant amortization	6.6 P, S, T & D Plant - Commodity	3,252	1,019	507	49	1,678
542								
543								
544		Total General Plant		11,439	3,583	1,782	172	5,902
545								
546		TOTAL DIRECT DEPRECIATION EXPENSE		86,386	27,054	13,453	1,296	44,583
547								
548		Kentucky Mid-States General Office:						
549								
550		Intangible Plant						
551								
552	30100	Organization	99.0 -	0	-	-	-	-
553	30200	Franchises & Consents	99.0 -	0	-	-	-	-
554	30300	Misc Intangible Plant	99.0 -	0	-	-	-	-
555								
556		Total Intangible Plant		0	-	-	-	-
557								
558		General:						
559								
560	37400	Land & Land Rights	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
561	39001	Structures Frame	6.6 P, S, T & D Plant - Commodity	34	11	5	1	18
562	39004	Air Conditioning Equipment	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
563	39009	Improvement to leased Premises	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
564	39100	Office Furniture & Equipment	6.6 P, S, T & D Plant - Commodity	27	8	4	0	14
565	39200	Transportation Equipment	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
566	39300	Stores Equipment	6.6 P, S, T & D Plant - Commodity	2	1	0	0	1
567	39400	Tools, Shop & Garage Equipment	6.6 P, S, T & D Plant - Commodity	60	19	9	1	31
568	39600	Power Operated Equipment	6.6 P, S, T & D Plant - Commodity	8	2	1	0	4
569	39700	Communication Equipment	6.6 P, S, T & D Plant - Commodity	17	5	3	0	9
570	39800	Miscellaneous Equipment	6.6 P, S, T & D Plant - Commodity	264	83	41	4	136
571	39900	Other Tangible Property	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
572	39901	Other Tangible Property - Servers - H/W	6.6 P, S, T & D Plant - Commodity	209	66	33	3	108
573	39902	Other Tangible Property - Servers - S/W	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
574	39903	Other Tangible Property - Network - H/W	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
575	39906	Other Tang. Property - PC Hardware	6.6 P, S, T & D Plant - Commodity	835	261	130	13	431
576	39907	Other Tang. Property - PC Software	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
577	39908	Other Tang. Property - Mainframe S/W	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
578								
579								
580		Total General Plant		1,456	456	227	22	751
581								
582		Shared Services General Office:						
583								
584		General:						
585								
586	39000	Structures & Improvements	6.6 P, S, T & D Plant - Commodity	3	1	0	0	1
587	39005	G-Structures & Improvements	6.6 P, S, T & D Plant - Commodity	55	17	8	1	28
588	39009	Improvement to leased Premises	6.6 P, S, T & D Plant - Commodity	267	83	42	4	138
589	39100	Office Furniture & Equipment	6.6 P, S, T & D Plant - Commodity	272	85	42	4	140
590	39102	Remittance Processing Equip	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
591	39103	Office Machines	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
592	39104	G-Office Furniture & Equip.	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0
593	39200	Transportation Equipment	6.6 P, S, T & D Plant - Commodity	20	6	3	0	10
594	39300	Stores Equipment	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
595	39400	Tools, Shop & Garage Equipment	6.6 P, S, T & D Plant - Commodity	16	5	2	0	8
596	39500	Laboratory Equipment	6.6 P, S, T & D Plant - Commodity	3	1	0	0	2
597	39700	Communication Equipment	6.6 P, S, T & D Plant - Commodity	111	35	17	2	57
598	39800	Miscellaneous Equipment	6.6 P, S, T & D Plant - Commodity	5	1	1	0	2
599	39900	Other Tangible Property	6.6 P, S, T & D Plant - Commodity	16	5	2	0	8
600	39901	Other Tangible Property - Servers - H/W	6.6 P, S, T & D Plant - Commodity	1,820	570	284	27	939
601	39902	Other Tangible Property - Servers - S/W	6.6 P, S, T & D Plant - Commodity	958	300	149	14	494
602	39903	Other Tangible Property - Network - H/W	6.6 P, S, T & D Plant - Commodity	225	70	35	3	116
603	39904	Other Tang. Property - CPU	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
604	39905	Other Tangible Property - MF - Hardware	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
605	39906	Other Tang. Property - PC Hardware	6.6 P, S, T & D Plant - Commodity	163	51	25	2	84
606	39907	Other Tang. Property - PC Software	6.6 P, S, T & D Plant - Commodity	46	15	7	1	24
607	39908	Other Tang. Property - Mainframe S/W	6.6 P, S, T & D Plant - Commodity	4,797	1,503	747	72	2,475
608	39909	Other Tang. Property - Application Softwar	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
609	39924	Other Tang. Property - General Startup Cos	6.6 P, S, T & D Plant - Commodity	0	-	-	-	-
610								
611								
612		Total General Plant		8,777	2,749	1,367	132	4,529

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF DEPRECIATION EXPENSE

613								
614		Shared Services Customer Support:						
615								
616		General:						
617								
618	38900	Land	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
619	38910	CKV-Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
620	39000	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	321	101	50	5	166
621	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	134	42	21	2	69
622	39010	CKV-Structures & Improvements	6.6	P, S, T & D Plant - Commodity	35	11	5	1	18
623	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	34	11	5	1	17
624	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	84	26	13	1	43
625	39710	CKV-Communication Equipment	6.6	P, S, T & D Plant - Commodity	2	0	0	0	1
626	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	1	0	0	0	1
627	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
628	39901	Other Tangible Property - Servers - H/W	6.6	P, S, T & D Plant - Commodity	365	114	57	5	188
629	39902	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	173	54	27	3	89
630	39903	Other Tangible Property - Network - H/W	6.6	P, S, T & D Plant - Commodity	120	38	19	2	62
631	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	78	24	12	1	40
632	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	24	8	4	0	13
633	39908	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	4,669	1,463	727	70	2,409
634	39910	CKV-Other Tangible Property	6.6	P, S, T & D Plant - Commodity	2	1	0	0	1
635	39916	CKV-Oth Tang Prop-PC Hardware	6.6	P, S, T & D Plant - Commodity	2	1	0	0	1
636	39917	CKV-Oth Tang Prop-PC Software	6.6	P, S, T & D Plant - Commodity	1	0	0	0	0
637	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
638									
639									
640		Total General Plant			6,044	1,893	941	91	3,119
641									
642		TOTAL DEPRECIATION EXPENSE - COMMODITY			102,643	32,152	15,989	1,541	52,962

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF DEPRECIATION EXPENSE

Total Depreciation Expense

Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
643		Intangible Plant:							
644									
645	30100	Organization			0	-	-	-	-
646	30200	Franchises & Consents			0	-	-	-	-
647	30300	Misc Intangible Plant			0	-	-	-	-
648									
649		Total Intangible Plant:			0	-	-	-	-
650									
651		Production Plant:							
652					0	-	-	-	-
653	32520	Producing Leaseholds			51	22	10	1	19
654	32540	Rights of Ways			1,699	727	327	29	616
655	33100	Production Gas Wells Equipment			0	-	-	-	-
656	33201	Field Lines			0	-	-	-	-
657	33202	Tributary Lines			0	-	-	-	-
658	33400	Field Meas. & Reg. Sta. Equip			3,001	1,284	577	52	1,088
659	33600	Purification Equipment			996	426	191	17	361
660									
661		Total Production Plant			5,747	2,459	1,105	100	2,083
662									
663		Storage Plant:							
664									
665	35010	Land			0	-	-	-	-
666	35020	Rights of Way			0	-	-	-	-
667	35100	Structures and Improvements			293	108	51	5	129
668	35102	Compression Station Equipment			1,704	632	297	28	749
669	35103	Meas. & Reg. Sta. Structues			0	-	-	-	-
670	35104	Other Structures			0	-	-	-	-
671	35200	Wells \ Rights of Way			82,144	30,440	14,297	1,328	36,080
672	35201	Well Construction			19,039	7,055	3,314	308	8,362
673	35202	Well Equipment			0	-	-	-	-
674	35203	Cushion Gas			29,356	10,878	5,109	474	12,894
675	35210	Leaseholds			0	-	-	-	-
676	35211	Storage Rights			382	141	66	6	168
677	35301	Field Lines			0	-	-	-	-
678	35302	Tributary Lines			0	-	-	-	-
679	35400	Compressor Station Equipment			15,086	5,590	2,626	244	6,626
680	35500	Meas & Reg. Equipment			1,742	646	303	28	765
681	35600	Purification Equipment			110	41	19	2	48
682									
683		Total Storage Plant			149,856	55,531	26,082	2,422	65,821
684									
685		Transmission:							
686									
687	36510	Land & Land Rights			0	-	-	-	-
688	36520	Rights of Way			13,066	5,591	2,513	226	4,736
689	36602	Structures & Improvements			887	380	171	15	322
690	36603	Other Structues			734	314	141	13	266
691	36700	Mains Cathodic Protection			19,980	8,549	3,843	346	7,242
692	36701	Mains - Steel			578,413	247,495	111,240	10,014	209,664
693	36900	Meas. & Reg. Equipment			12,003	5,136	2,308	208	4,351
694	36901	Meas. & Reg. Equipment			45,879	19,631	8,823	794	16,630
695									
696		Total Transmission Plant			670,963	287,096	129,040	11,616	243,211
697									
698		Distribution:							
699									
700	37400	Land & Land Rights			0	-	-	-	-
701	37401	Land			0	-	-	-	-
702	37402	Land Rights			4,289	3,526	519	15	229
703	37403	Land Other			0	-	-	-	-
704	37500	Structures & Improvements			7,321	6,018	886	26	391
705	37501	Structures & Improvements T.B.			2,166	1,782	262	8	116
706	37502	Land Rights			0	-	-	-	-
707	37503	Improvements			86	70	10	0	5
708	37600	Mains Cathodic Protection			556,692	457,615	67,403	1,941	29,733
709	37601	Mains - Steel			2,345,591	1,928,137	283,997	8,177	125,280
710	37602	Mains - Plastic			1,564,702	1,286,225	189,448	5,455	83,572
711	37800	Meas & Reg. Sta. Equip - General			161,845	133,041	19,596	564	8,644
712	37900	Meas & Reg. Sta. Equip - City Gate			58,890	48,409	7,130	205	3,145
713	37905	Meas & Reg. Sta. Equipment T.B.			36,252	29,800	4,389	126	1,936
714	38000	Services			4,473,918	3,975,283	487,694	5,157	5,584
715	38100	Meters			1,773,300	1,065,372	596,488	55,317	56,123
716	38200	Meter Installaitons			2,132,918	1,281,426	717,454	66,535	67,504
717	38300	House Regulators			235,602	141,546	79,250	7,349	7,456
718	38400	House Reg. Installations			3,841	2,308	1,292	120	122
719	38500	Ind. Meas. & Reg. Sta. Equipment			157,854	-	-	-	157,854
720	38600	Other Prop. On Cust. Prem			0	-	-	-	-
721									
722		Total Distribution Plant			13,515,271	10,360,559	2,458,021	150,998	547,694

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF DEPRECIATION EXPENSE

723							
724		General:					
725							
726	38900	Land & Land Rights	0	-	-	-	-
727	39000	Structures Frame	131,369	97,505	21,890	1,267	10,891
728	39002	Improvements	0	-	-	-	-
729	39003	Air Conditioning Equipment	26,900	19,967	4,483	259	2,230
730	39004	Improvement to leased Premises	0	-	-	-	-
731	39009	Office Furniture & Equipment	30,239	22,446	4,994	292	2,507
732	39100	Remittance Processing Equip	96,791	71,846	15,987	933	8,025
733	39103	Transportation Equipment	0	-	-	-	-
734	39200	Trucks	0	-	-	-	-
735	39201	Trailers	0	-	-	-	-
736	39202	Stores Equipment	0	-	-	-	-
737	39400	Power Operated Equipment	135,043	100,240	22,304	1,302	11,196
738	39403	Backhoes	8,234	6,112	1,360	79	683
739	39404	Welders	9,621	7,141	1,589	93	798
740	39405	Communication Equipment	5,096	3,783	842	49	423
741	39700	Communication Equipment - Mobile Radios	24,702	18,336	4,080	238	2,048
742	39701	Communication Equipment - Fixed Radios	0	-	-	-	-
743	39702	Communication Equip. - Telemetering	0	-	-	-	-
744	39705	Miscellaneous Equipment	8,360	6,206	1,381	81	693
745	39800	Other Tangible Property	125,081	92,846	20,659	1,206	10,371
746	39900	Other Tangible Property - Servers - H/W	0	-	-	-	-
747	39901	Other Tangible Property - Servers - S/W	0	-	-	-	-
748	39902	Other Tangible Property - Network - H/W	0	-	-	-	-
749	39903	Other Tang. Property - CPU	0	-	-	-	-
750	39904	Other Tangible Property - MF - Hardware	0	-	-	-	-
751	39905	Other Tang. Property - PC Hardware	0	-	-	-	-
752	39906	Other Tang. Property - PC Software	41,450	30,768	6,846	400	3,437
753	39907	Other Tang. Property - Mainframe S/W	0	-	-	-	-
754	39908	Other Tang. Property - Application Software	0	-	-	-	-
755		AR 15 general plant amortization	255,335	189,531	42,173	2,462	21,170
756							
757							
758		Total General Plant	896,212	666,726	148,354	8,661	74,471
759							
760		TOTAL DIRECT DEPRECIATION EXPENSE	15,240,048	11,372,371	2,760,802	173,795	933,281
761							
762		Kentucky Mid-States General Office:					
763							
764		Intangible Plant:					
765							
766	30100	Organization	0	-	-	-	-
767	30200	Franchises & Consents	0	-	-	-	-
768	30300	Misc Intangible Plant	0	-	-	-	-
769							
770		Total Intangible Plant:	0	-	-	-	-
771							
772		General:					
773							
774	37400	Land & Land Rights	0	-	-	-	-
775	38001	Structures Frame	2,698	2,001	445	26	224
776	39004	Air Conditioning Equipment	0	-	-	-	-
777	39009	Improvement to leased Premises	0	-	-	-	-
778	39100	Office Furniture & Equipment	2,095	1,555	346	20	174
779	39200	Transportation Equipment	0	-	-	-	-
780	39300	Stores Equipment	182	120	27	2	13
781	39400	Tools, Shop & Garage Equipment	4,719	3,496	776	45	391
782	39500	Power Operated Equipment	605	449	100	6	50
783	39700	Communication Equipment	1,370	1,017	226	13	114
784	39800	Miscellaneous Equipment	20,721	15,381	3,422	200	1,718
785	39900	Other Tangible Property	0	-	-	-	-
786	39901	Other Tangible Property - Servers - H/W	16,430	12,196	2,714	158	1,362
787	39902	Other Tangible Property - Servers - S/W	0	-	-	-	-
788	39903	Other Tangible Property - Network - H/W	0	-	-	-	-
789	39906	Other Tang. Property - PC Hardware	65,646	48,654	10,826	632	5,434
790	39907	Other Tang. Property - PC Software	0	-	-	-	-
791	39909	Other Tang. Property - Mainframe S/W	0	-	-	-	-
792							
793							
794		Total General Plant	114,335	84,869	18,884	1,102	9,480
795							
796		Shared Services General Office:					
797							
798		General:					
799							
800	39000	Structures & Improvements	225	167	37	2	19
801	39005	G-Structures & Improvements	4,283	3,179	707	41	355
802	39009	Improvement to leased Premises	20,829	15,535	3,457	202	1,735
803	39100	Office Furniture & Equipment	21,361	15,856	3,528	206	1,771
804	39102	Remittance Processing Equip	0	-	-	-	-
805	39103	Office Machines	0	-	-	-	-
806	39104	G-Office Furniture & Equip.	36	27	6	0	3
807	39200	Transportation Equipment	1,594	1,183	263	15	132
808	39300	Stores Equipment	0	-	-	-	-
809	39400	Tools, Shop & Garage Equipment	1,246	925	206	12	103
810	39500	Laboratory Equipment	230	171	38	2	19
811	39700	Communication Equipment	8,744	6,490	1,444	84	725
812	39800	Miscellaneous Equipment	371	275	61	4	31
813	39900	Other Tangible Property	1,246	925	206	12	103
814	39901	Other Tangible Property - Servers - H/W	142,944	106,105	23,610	1,378	11,852
815	39902	Other Tangible Property - Servers - S/W	75,232	55,843	12,426	725	6,237
816	39903	Other Tangible Property - Network - H/W	17,633	13,089	2,912	170	1,462
817	39904	Other Tang. Property - CPU	0	-	-	-	-
818	39905	Other Tangible Property - MF - Hardware	0	-	-	-	-
819	39906	Other Tang. Property - PC Hardware	12,779	9,486	2,111	123	1,060
820	39907	Other Tang. Property - PC Software	3,650	2,710	603	35	303
821	39908	Other Tang. Property - Mainframe S/W	376,695	279,613	62,217	3,632	31,232
822	39909	Other Tang. Property - Application Software	0	-	-	-	-
823	39924	Other Tang. Property - General Startup Costs	0	-	-	-	-
824							
825							
826		Total General Plant	689,199	511,570	113,832	6,646	57,142

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF DEPRECIATION EXPENSE

827							
828		Shared Services Customer Support:					
829							
830		General:					
831							
832	38900	Land	0	-	-	-	-
833	38910	CKV-Land & Land Rights	0	-	-	-	-
834	39000	Structures & Improvements	25,234	18,731	4,168	243	2,092
835	39009	Improvement to leased Premises	10,518	7,807	1,737	101	872
836	39010	CKV-Structures & Improvements	2,760	2,049	456	27	229
837	39100	Office Furniture & Equipment	2,634	1,955	435	25	218
838	39700	Communication Equipment	6,558	4,868	1,083	63	544
839	39710	CKV-Communication Equipment	120	89	20	1	10
840	39800	Miscellaneous Equipment	91	68	15	1	8
841	39900	Other Tangible Property	0	-	-	-	-
842	39901	Other Tangible Property - Servers - H/W	28,635	21,255	4,729	276	2,374
843	39902	Other Tangible Property - Servers - S/W	13,570	10,073	2,241	131	1,125
844	39903	Other Tangible Property - Network - H/W	9,438	7,005	1,559	91	782
845	39906	Other Tang. Property - PC Hardware	6,134	4,553	1,013	59	509
846	39907	Other Tang. Property - PC Software	1,922	1,427	317	19	159
847	39908	Other Tang. Property - Mainframe S/W	366,672	272,174	60,552	3,536	30,401
848	39910	CKV-Other Tangible Property	130	96	21	1	11
849	39916	CKV-Oth Tang Prop-PC Hardware	135	100	22	1	11
850	39917	CKV-Oth Tang Prop-PC Software	48	35	8	0	4
851	39924	Other Tang. Property - General Startup Costs	0	-	-	-	-
852							
853							
854		Total General Plant	474,598	352,286	78,387	4,576	39,349
855							
856		TOTAL DEPRECIATION EXPENSE	16,518,181	12,321,105	2,971,705	188,120	1,039,251

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX

1								
2		Customer						
3								
4			Allocation	Allocation	Total		Commercial &	Firm	Interruptible &
5			Factor	Basis	Company	Residential	Public Authority	Industrial	Transportation
6									
7	Taxes Other Than Income								
8									
9	Non Revenue Related:								
10	Payroll Related		7.2	Allocated O&M Expenses - Cust	75,552	63,351	10,896	844	461
11	Property Related		6.2	P, S, T & D Plant - Customer	2,822,824	2,282,809	452,055	22,867	65,094
12	DOT transmission User Tax		7.2	Allocated O&M Expenses - Cust	10,917	9,154	1,574	122	67
13	Other		7.2	Allocated O&M Expenses - Cust	127,988	107,319	18,456	1,430	782
14	Total Non Revenue Related:				3,037,281	2,462,632	482,982	25,262	66,404
15									
16	Revenue Related:								
17	State Gross Receipts - Tax		99.0	-	0	-	-	-	-
18	Local Gross Receipts - Tax		99.0	-	0	-	-	-	-
19	Public Service Commission Assessment		99.0	-	0	-	-	-	-
20	Total Revenue Related:				0	-	-	-	-
21									
22	Total Taxes, Other Than Income				3,037,281	2,462,632	482,982	25,262	66,404
23									
24									
25	Interest Expense		19.2	Rate Base - Cust	6,086,012	4,868,250	1,021,164	55,273	121,325

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX

Demand

	Allocation Factor	Allocation Basis	Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
Taxes Other Than Income							
Non Revenue Related:							
Payroll Related	7.4	Allocated O&M Expenses - Demand	7,425	3,177	1,428	129	2,691
Property Related	6.4	P, S, T & D Plant - Demand	537,172	229,849	103,309	9,300	194,715
DOT transmission User Tax	7.4	Allocated O&M Expenses - Demand	1,073	459	206	19	389
Other	7.4	Allocated O&M Expenses - Demand	12,578	5,382	2,419	218	4,559
Total Non Revenue Related:			558,248	238,867	107,362	9,665	202,354
Revenue Related:							
State Gross Receipts - Tax	99.0	-	0	-	-	-	-
Local Gross Receipts - Tax	99.0	-	0	-	-	-	-
Public Service Commission Assessment	99.0	-	0	-	-	-	-
Total Revenue Related:			0	-	-	-	-
Total Taxes, Other Than Income			558,248	238,867	107,362	9,665	202,354
Interest Expense	19.4	Rate Base - Demand	974,616	417,025	187,438	16,873	353,279

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX

	Commodity							
		Allocation Factor	Allocation Basis	Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
61	Taxes Other Than Income							
63	Non Revenue Related:							
64	Payroll Related	7.6	Allocated O&M Expenses - Comm	283,462	174,117	97,406	8,525	3,412
65	Property Related	6.6	P, S, T & D Plant - Commodity	43,341	13,576	6,751	651	22,363
66	DOT transmission User Tax	7.6	Allocated O&M Expenses - Comm	40,960	25,160	14,075	1,232	493
67	Other	7.6	Allocated O&M Expenses - Comm	480,198	294,962	165,014	14,442	5,780
68	Total Non Revenue Related:			847,960	507,814	283,249	24,850	32,048
70	Revenue Related:							
71	State Gross Receipts - Tax	99.0	-	0	-	-	-	-
72	Local Gross Receipts - Tax	99.0	-	0	-	-	-	-
73	Public Service Commission Assessment	1.0	Mcf	219,194	49,924	27,869	2,440	138,961
74	Total Revenue Related:			219,194	49,924	27,869	2,440	138,961
76	Total Taxes, Other Than Income			1,067,154	557,738	311,118	27,290	171,009
79	Interest Expense	19.6	Rate Base - Comm	476,218	157,456	86,269	7,675	224,798

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX

Total Taxes Other

	Allocation Factor	Allocation Basis	Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
Taxes Other Than Income							
Non Revenue Related:							
Payroll Related			366,436	240,644	109,732	9,498	6,565
Property Related			3,403,337	2,526,234	562,115	32,817	282,171
DOT transmission User Tax			52,950	34,773	15,856	1,372	948
Other			620,764	407,662	185,891	16,090	11,121
Total Non Revenue Related:			4,443,489	3,209,313	873,593	59,777	300,806
Revenue Related:							
State Gross Receipts - Tax			0	-	-	-	-
Local Gross Receipts - Tax			0	-	-	-	-
Public Service Commission Assessment			219,194	49,924	27,869	2,440	138,961
Total Revenue Related:			219,194	49,924	27,869	2,440	138,961
Total Taxes, Other Than Income			4,662,683	3,259,237	901,463	62,217	439,766
Interest Expense			7,536,846	5,462,731	1,294,890	79,822	699,402

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION OF REVENUES

Total Revenues

		Allocation Factor	Allocation Basis	Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
9	Rate Schedule Revenue:							
10								
11	Base Revenues	Input		63,295,353	36,974,250	13,782,946	524,930	11,923,225
12	Base Revenue Increase	Input		0	-	-	-	-
13	Rider GCR	Input		90,267,316	55,514,753	31,060,527	2,718,229	973,807
14	Rider FF and Rider Tax	Input		0	-	-	-	-
15								
16	Total Rate Schedule Revenue			153,472,669	92,489,003	44,843,475	3,243,159	12,897,032
17								
18	Other Revenue:							
19								
20	Forfeited Discounts	18.2	Base Revenues	1,126,126	668,768	245,570	9,363	212,435
21	Misc. Service Revenues	18.2	Base Revenues	778,251	455,266	169,719	6,463	146,811
22	Revenue From Transportation of Gas of Others	18.2	Base Revenues	0	-	-	-	-
23	NTB	18.2	Base Revenues	(2,078)	(1,215)	(453)	(17)	(392)
24								
25	Total Non-Rate Revenue			1,902,300	1,112,819	414,827	15,799	358,855
26								
27	TOTAL REVENUE			155,374,969	93,601,821	45,258,302	3,258,958	13,255,887

Atmos Energy Corporation, Kentucky/Mid-States Division					
Kentucky Jurisdiction Case No. 2013-00148					
Forecasted Test Period: Twelve Months Ended November 30, 2014					
CLASSIFICATION FACTORS					
			Total Company	Customer	Demand	Commodity
	Input	Values	1	1	0	0
1.0	Customer	%	100.0000%	100.0000%	0.0000%	0.0000%
	Input	Values	1	0	1	0
2.0	Demand	%	100.0000%	0.0000%	100.0000%	0.0000%
	Input	Values	1	0	0	1
3.0	Commodity	%	100.0000%	0.0000%	0.0000%	100.0000%
	Input	Values	100	0	50	50
3.5	Storage (50/50)	%	100.0000%	0.0000%	50.0000%	50.0000%
	Input	Values	87,962,005	75,260,100	12,701,905	0
4.0	Mains	%	100.0000%	85.5598%	14.4402%	0.0000%
	Internally Generated	Values	166,866,780	150,191,571	16,675,209	0
4.1	Mains & Services	%	100.0000%	90.0069%	9.9931%	0.0000%
	Internally Generated	Values	411,478,740	341,292,072	64,946,568	5,240,101
5.4	P, S, T & D Plant	%	100.0000%	82.9428%	15.7837%	1.2735%
	Internally Generated	Values	287,487,464	245,150,037	38,805,782	3,531,645
5.7	Net Plant	%	100.0000%	85.2733%	13.4983%	1.2285%
	Internally Generated	Values	116,962,934	24,115,231	2,369,892	90,477,810
9.1	Allocated O&M Expenses	%	100.0000%	20.6178%	2.0262%	77.3560%
	Internally Generated	Values	4,220,281	3,864,007	345,720	10,554
10.0	Composite of Accts. 871-879 & 886-893	%	100.0000%	91.5581%	8.1919%	0.2501%
	Internally Generated	Values	122,145,709	104,507,602	17,638,106	-
12.0	Composite of Accts. 374-379	%	100.0000%	85.5598%	14.4402%	0.0000%
	Internally Generated	Values	252,914,292	204,228,603	32,705,224	15,980,465
13.0	Rate Base	%	100.0000%	80.7501%	12.9313%	6.3185%
	Internally Generated	Values	8,167,096	7,634,674	516,059	16,364
17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	%	100.0000%	93.4809%	6.3188%	0.2004%
		Values	0	0	0	0
99.0	-	%	0.0000%	0.0000%	0.0000%	0.0000%

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION FACTORS

			Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
	Input	Value	42,314,959	9,637,652	5,380,137	471,075	26,826,095
1.0	Mcf	%	100.0000%	22.7760%	12.7145%	1.1133%	63.3962%
	Input	Value	23,332,458	7,308,713	3,634,476	350,228	12,039,041
1.5	Winter Volumes	%	100.0000%	31.3242%	15.5769%	1.5010%	51.5978%
	Input	Value	2,078,493	1,846,837	226,666	2,396	2,594
2.0	Customers	%	100.0000%	88.8546%	10.9053%	0.1153%	0.1248%
	Input	Value	273,558	117,052	52,611	4,736	99,160
3.0	Peak Day	%	100.0000%	42.7886%	19.2320%	1.7313%	36.2481%
	Input	Value	11,657,334	7,003,552	3,921,199	363,643	368,939
4.0	Meter Investment	%	100.0000%	60.0765%	33.6372%	3.1194%	3.1648%
	Input	Value	1	1	-	-	-
4.2	Direct to Residential	%	100.0000%	100.0000%	0.0000%	0.0000%	0.0000%
	Input	Value	1	-	1	-	-
4.4	Direct to Commercial & Public Authority	%	100.0000%	0.0000%	100.0000%	0.0000%	0.0000%
	Input	Value	1	-	-	1	-
4.6	Direct to Industrial	%	100.0000%	0.0000%	0.0000%	100.0000%	0.0000%
	Input	Value	1	-	-	-	1
5.0	Direct to I & T	%	100.0000%	0.0000%	0.0000%	0.0000%	100.0000%
	Internally Generated	Value	411,478,740	305,433,023	67,962,214	3,967,732	34,115,771
6.0	P, S, T & D Plant	%	100.0000%	74.2281%	16.5166%	0.9643%	8.2910%
	Internally Generated	Value	341,292,072	276,001,844	54,655,444	2,764,665	7,870,119
6.2	P, S, T & D Plant - Customer	%	100.0000%	80.8697%	16.0143%	0.8101%	2.3060%
	Internally Generated	Value	64,946,568	27,789,758	12,490,525	1,124,412	23,541,873
6.4	P, S, T & D Plant - Demand	%	100.0000%	42.7886%	19.2320%	1.7313%	36.2481%
	Internally Generated	Value	5,240,101	1,641,421	816,246	78,656	2,703,778
6.6	P, S, T & D Plant - Commodity	%	100.0000%	31.3242%	15.5769%	1.5010%	51.5978%
	Internally Generated	Value	116,962,934	76,810,842	35,025,091	3,031,608	2,095,393
7.0	Allocated O&M Expenses	%	100.0000%	65.6711%	29.9455%	2.5919%	1.7915%
	Internally Generated	Value	24,115,231	20,220,787	3,477,745	269,405	147,295
7.2	Allocated O&M Expenses - Cust	%	100.0000%	83.8507%	14.4214%	1.1172%	0.6108%
	Internally Generated	Value	2,369,892	1,014,045	455,778	41,030	859,040
7.4	Allocated O&M Expenses - Demand	%	100.0000%	42.7886%	19.2320%	1.7313%	36.2481%
	Internally Generated	Value	90,477,810	55,576,011	31,091,568	2,721,173	1,089,058
7.6	Allocated O&M Expenses - Comm	%	100.0000%	61.4250%	34.3637%	3.0076%	1.2037%
	Input	Value	34,046,761	24,135,338	9,911,423	0	0
8.0	Customer Deposit Balances	%	100.0000%	70.8888%	29.1112%	0.0000%	0.0000%
	Internally Generated	Value	287,487,464	214,852,406	48,981,637	2,923,009	20,730,412
9.0	Allocated Net Plant	%	100.0000%	74.7345%	17.0378%	1.0167%	7.2109%
	Internally Generated	Value	245,150,037	197,141,676	40,958,387	2,198,158	4,841,815
9.2	Allocated Net Plant - Cust	%	100.0000%	80.4167%	16.7116%	0.8967%	1.9750%
	Internally Generated	Value	38,805,782	16,604,469	7,463,128	671,840	14,066,345
9.4	Allocated Net Plant - Demand	%	100.0000%	42.7886%	19.2320%	1.7313%	36.2481%
	Internally Generated	Value	3,531,645	1,106,261	550,121	53,011	1,822,252
9.6	Allocated Net Plant - Comm	%	100.0000%	31.3242%	15.5769%	1.5010%	51.5978%
	Internally Generated	Value	4,220,281	3,318,890	675,484	84,009	162,118
10.0	Composite of Accts. 871-879 & 886-893	%	100.0000%	78.6367%	16.0052%	1.5167%	3.8414%
	Internally Generated	Value	3,864,007	3,168,357	607,833	57,906	30,110
10.2	Composite of Accts. 871-879 & 886-893 - Cust	%	100.0000%	81.9967%	15.7255%	1.4986%	0.7793%
	Internally Generated	Value	345,720	147,929	66,489	5,985	125,317
10.4	Composite of Accts. 871-879 & 886-893 - Demand	%	100.0000%	42.7886%	19.2320%	1.7313%	36.2481%
	Internally Generated	Value	10,554	2,404	1,342	117	6,691
10.6	Composite of Accts. 871-879 & 886-893 - Comm	%	100.0000%	22.7760%	12.7145%	1.1133%	63.3962%
	Internally Generated	Value	166,866,780	140,587,242	19,585,825	461,830	6,231,882
11.0	Composite of Accts. 376 & 380	%	100.0000%	84.2512%	11.7374%	0.2768%	3.7346%

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

ALLOCATION FACTORS

			Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
	Internally Generated	Value	150,191,571	133,452,146	16,378,849	173,135	187,442
11.2	Composite of Accts. 376 & 380 - Cust	%	100.0000%	88.8546%	10.9053%	0.1153%	0.1248%
	Internally Generated	Value	16,675,209	7,135,086	3,206,976	288,696	6,044,440
11.4	Composite of Accts. 376 & 380 - Demand	%	100.0000%	42.7886%	19.2320%	1.7313%	36.2481%
	Internally Generated	Value	0	0	0	0	0
11.6	Composite of Accts. 376 & 380 - Comm	%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
	Internally Generated	Value	122,145,709	100,406,937	14,788,033	425,838	6,523,900
12.0	Composite of Accts. 374-379	%	100.0000%	82.2026%	12.1077%	0.3486%	5.3411%
	Internally Generated	Value	104,507,602	92,859,830	11,396,873	120,472	130,428
12.2	Composite of Accts. 374-379 - Cust	%	100.0000%	88.8546%	10.9053%	0.1153%	0.1248%
	Internally Generated	Value	17,638,106	7,547,107	3,392,161	305,366	6,393,472
12.4	Composite of Accts. 374-379 - Demand	%	100.0000%	42.7886%	19.2320%	1.7313%	36.2481%
	Internally Generated	Value	0	0	0	0	0
12.6	Composite of Accts. 374-379 - Comm	%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
	Internally Generated	Value	56,817,747	34,135,253	19,111,894	1,772,394	1,798,206
13.0	Composite of Accts. 381-383	%	100.0000%	60.0785%	33.6372%	3.1194%	3.1649%
	Internally Generated	Value	56,817,747	34,135,253	19,111,894	1,772,394	1,798,206
13.2	Composite of Accts. 381-383 - Cust	%	100.0000%	60.0785%	33.6372%	3.1194%	3.1649%
	Internally Generated	Value	0	0	0	0	0
13.4	Composite of Accts. 381-383 - Demand	%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
	Internally Generated	Value	0	0	0	0	0
13.6	Composite of Accts. 381-383 - Comm	%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
	Internally Generated	Value	51,369,238	45,661,711	5,604,153	59,239	64,135
14.0	Account 380	%	100.0000%	88.8546%	10.9053%	0.1153%	0.1248%
	Internally Generated	Value	51,369,238	45,661,711	5,604,153	59,239	64,135
14.2	Account 380 - Cust	%	100.0000%	88.8546%	10.9053%	0.1153%	0.1248%
	Internally Generated	Value	0	0	0	0	0
14.4	Account 380 - Demand	%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
	Internally Generated	Value	0	0	0	0	0
14.6	Account 380 - Comm	%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
	Input	Value	218,503	0.61264	0.14803	0.03934	218,502
16.0	GUD 9400 Allocation Factors	%	100.0000%	0.0004%	0.0001%	0.0000%	99.9995%
	Internally Generated	Value	8,167,096	6,615,179	1,210,226	96,647	245,044
17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	%	100.0000%	80.9979%	14.8183%	1.1834%	3.0004%
	Internally Generated	Value	7,634,674	6,390,559	1,108,870	87,527	47,717
17.2	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	%	100.0000%	83.7044%	14.5241%	1.1464%	0.6250%
	Internally Generated	Value	516,059	220,815	99,248	8,934	187,061
17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Dems	%	100.0000%	42.7886%	19.2320%	1.7313%	36.2481%
	Internally Generated	Value	16,364	3,806	2,107	186	10,266
17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	%	100.0000%	23.2553%	12.8750%	1.1350%	62.7346%
	Internally Generated	Value	1,494,129,357	961,319,271	488,286,164	44,490,351	33,571
18.0	Revenues	%	100.0000%	64.3398%	32.6803%	2.9777%	0.0022%
	Internally Generated	Value	63,205,353	36,974,250	13,782,948	524,930	11,923,225
18.2	Base Revenues	%	100.0000%	58.4986%	21.8066%	0.8305%	18.8643%
	Internally Generated	Value	99,267,316	55,514,753	31,060,527	2,718,229	973,807
18.4	Gas Costs	%	100.0000%	61.5004%	34.4095%	3.0113%	1.0788%
	Internally Generated	Value	252,914,292	183,313,135	43,452,699	2,678,580	23,469,879
19.0	Rate Base	%	100.0000%	72.4803%	17.1808%	1.0591%	9.2798%
	Internally Generated	Value	204,228,603	164,035,249	34,267,235	1,854,800	4,071,319
19.2	Rate Base - Cust	%	100.0000%	80.3194%	16.7789%	0.9082%	1.9935%
	Internally Generated	Value	32,705,224	13,984,123	6,289,869	566,222	11,855,010
19.4	Rate Base - Demand	%	100.0000%	42.7886%	19.2320%	1.7313%	36.2481%
	Internally Generated	Value	15,980,465	5,283,763	2,895,595	257,558	7,543,550
19.6	Rate Base - Comm	%	100.0000%	33.0639%	18.1196%	1.6117%	47.2048%
	-	Value	0	0	0	0	0
99.0		%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

SUMMARY OF RESULTS

			Total Company $	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
8	Operating Revenues		155,374,969	94,513,264	45,598,062	3,271,898	11,991,745
10	Operating Expenses:						
12	Operating & Maintenance		116,962,934	77,015,435	35,119,567	3,034,701	1,793,230
13	Depreciation & Amortization		16,518,181	12,470,786	3,041,148	185,850	820,397
14	Taxes Other Than Income		4,662,683	3,329,268	935,927	64,313	333,175
16	Total Operating Expenses		138,143,797	92,815,490	39,096,642	3,284,864	2,946,802
18	Income Before Taxes		17,231,172	1,697,774	6,501,420	(12,966)	9,044,943
20	Interest Expense		7,536,846	5,575,975	1,350,026	82,469	528,376
22	Income Taxes:						
24	State Income Taxes	6.00%	581,660	(232,692)	309,084	(5,726)	510,994
25	Federal Income Taxes	35.00%	3,189,433	(1,275,928)	1,694,809	(31,398)	2,801,951
26	Total Deferred Income Taxes		0	0	0	0	0
27	Amortization of ITC		0	0	0	0	0
29	Total Income Taxes		3,771,093	(1,508,620)	2,003,892	(37,124)	3,312,945
31	Net Income		13,460,079	3,206,394	4,497,528	24,158	5,731,999
33	Total Rate Base		252,914,292	187,113,245	45,302,895	2,767,407	17,730,745
35	Rate of Return		5.3220%	1.7136%	9.9277%	0.8730%	32.3260%
36	Relative Rate of Return		1.00	0.32	1.87	0.16	6.07
38	Equalized ROR:						
40	Net Income Increase		8,113,510	12,754,365	(633,191)	211,902	(4,219,566)
41	Uncollectibles/PSC Fees	0.6822%	88,520	139,153	(6,908)	2,312	(46,036)
42	Income Taxes		5,165,557	8,120,210	(403,128)	134,909	(2,686,434)
43	Gross Revenue After Increase		168,742,556	115,526,992	44,554,835	3,621,021	5,039,708
44	Revenue Increase		13,367,587	21,013,728	(1,043,228)	349,123	(6,952,036)
45	Rate of Return		8.5300%	8.5300%	8.5300%	8.5300%	8.5300%
46	Relative Rate of Return		1.00	1.00	1.00	1.00	1.00
47	Percent Increase		8.5465%	22.0864%	-2.2727%	10.5997%	-57.5896%
49	Proposed Rate Levels:						
51	Net Income Increase		8,113,178	5,076,925	2,168,253	98,646	769,351
52	Uncollectibles/PSC Fees		88,517	55,390	23,656	1,076	8,394
53	Income Taxes		5,165,344	3,232,261	1,380,443	62,804	489,816
54	Gross Revenue After Increase		168,742,006	102,877,861	49,170,414	3,434,425	13,259,305
55	Revenue Increase		13,367,037	8,364,597	3,572,352	162,527	1,267,561
56	Rate of Return		8.5299%	4.4289%	14.7138%	4.4375%	36.8671%
57	Relative Rate of Return		1.00	0.52	1.72	0.52	4.30
58	Percent Increase		8.5461%	8.7916%	7.7826%	4.9345%	10.5003%

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

SUMMARY OF CUSTOMER COSTS

			Total Company $	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
1	Rate Base		204,228,603	164,158,635	34,341,323	1,784,153	3,944,492
2							
3	Return @ Realized ROR		10,869,031	3,284,457	3,512,503	(4,469)	4,076,540
4	O&M Expenses		24,115,231	20,230,381	3,483,076	264,428	137,346
5	Depreciation Expense		14,636,238	11,537,830	2,619,775	147,783	330,850
6	Taxes, Other		3,037,281	2,464,248	483,934	24,359	64,739
7							
8	Interest Expense		6,086,012	4,891,927	1,023,371	53,168	117,546
9							
10	Income Taxes:						
11							
12	State Income Taxes	6.00%	469,691	(157,853)	244,432	(5,660)	388,772
13	Federal Income Taxes	35.00%	2,575,471	(865,561)	1,340,302	(31,035)	2,131,766
14	Deferred Income Taxes		0	0	0	0	0
15	Amortization of ITC		0	0	0	0	0
16							
17	Total Income Taxes		3,045,162	(1,023,414)	1,584,734	(36,695)	2,520,538
18							
19	Total Customer-Related Costs @ Realized ROR		55,702,943	36,493,502	11,684,022	395,405	7,130,014
20	Total Demand-Related Costs @ Realized ROR		6,935,662	2,041,210	2,001,313	114,350	2,778,789
21	Total Fixed Costs		62,638,605	38,534,713	13,685,335	509,754	9,908,803
22							
23	Total Customers		2,078,277	1,846,837	226,666	2,396	2,378
24	Customer Costs ($/customer/month)		$ 30.14	$ 20.87	$ 60.38	$ 212.75	$ 4,166.86
25							
26							
27	Incremental Return @ Equalized ROR		6,551,669	10,718,275	(583,188)	156,658	(3,740,075)
28	Uncollectibles/PSC Fees		71,480	116,939	(6,363)	1,709	(40,805)
29	Incremental Income Taxes		4,171,194	6,823,910	(371,293)	99,738	(2,381,161)
30							
31	Total Customer-Related Costs @ Equalized ROR		66,497,286	54,152,626	10,723,177	653,509	967,974
32	Customers		2,078,277	1,846,837	226,666	2,396	2,378
33	Dollars/Customer/Month		$ 32.00	$ 29.32	$ 47.31	$ 272.75	$ 407.05
34							
35							
36	Incremental Return @ Proposed Rates		6,551,399	5,790,890	1,214,752	83,971	(538,214)
37	Uncollectibles/PSC Fees		71,477	63,180	13,253	916	(5,872)
38	Incremental Income Taxes		4,171,022	3,686,835	773,385	53,461	(342,660)
39							
40	Total Customer-Related Costs @ Proposed Rates		66,496,841	46,034,407	13,685,412	533,753	6,243,268
41	Customers		2,078,277	1,846,837	226,666	2,396	2,378
42	Dollars/Customer/Month		$ 32.00	$ 24.93	$ 60.38	$ 222.77	$ 2,625.43

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

SUMMARY OF DEMAND COSTS

			Total Company $	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
1	Rate Base		32,705,224	16,363,633	7,354,881	662,095	8,324,615
2							
3	Return @ Realized ROR		1,740,570	(2,222)	661,240	19,315	1,062,236
4	O&M Expenses		2,369,892	1,185,744	532,951	47,977	603,220
5	Depreciation Expense		1,779,300	890,249	400,136	36,021	452,894
6	Taxes, Other		558,248	279,312	125,541	11,301	142,093
7							
8	Interest Expense		974,616	487,636	219,175	19,730	248,074
9							
10	Income Taxes:						
11							
12	State Income Taxes	6.00%	75,216	(48,104)	43,411	(41)	79,950
13	Federal Income Taxes	35.00%	412,437	(263,770)	238,035	(224)	438,395
14	Deferred Income Taxes		0	0	0	0	0
15	Amortization of ITC		0	0	0	0	0
16							
17	Total Income Taxes		487,653	(311,874)	281,445	(264)	518,346
18							
19	Total Demand-Related Costs @ Realized ROR		6,935,662	2,041,210	2,001,313	114,350	2,778,789
20							
21							
22	Incremental Return @ Equalized ROR		1,049,186	1,398,040	(33,869)	37,162	(352,146)
23	Uncollectibles/PSC Fees		11,447	15,253	(370)	405	(3,842)
23	Incremental Income Taxes		667,976	890,078	(21,563)	23,659	(224,198)
24							
25	Total Demand-Related Costs @ Equalized ROR		8,664,271	4,344,581	1,945,512	175,576	2,198,602
26							
27							
28	Incremental Return @ Proposed Rates		1,049,143	(341,584)	600,924	11,499	778,304
29	Uncollectibles/PSC Fees		11,446	(3,727)	6,556	125	8,491
29	Incremental Income Taxes		667,949	(217,473)	382,585	7,321	495,516
30							
31	Total Demand-Related Costs @ Proposed Rates		8,664,200	1,478,426	2,991,379	133,295	4,061,100

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

SUMMARY OF COMMODITY COSTS

			Total Company $	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
1	Rate Base		15,980,465	6,590,977	3,606,691	321,159	5,461,638
2							
3	Return @ Realized ROR		850,479	(75,841)	323,785	9,313	593,223
4	O&M Expenses		90,477,810	55,599,310	31,103,541	2,722,296	1,052,664
5	Depreciation Expense		102,643	42,707	21,237	2,046	36,653
6	Taxes, Other		1,067,154	585,708	326,452	28,653	126,342
7							
8	Interest Expense		476,218	196,411	107,479	9,571	162,757
9							
10	Income Taxes:						
11							
12	State Income Taxes	6.00%	36,752	(26,735)	21,241	(25)	42,272
13	Federal Income Taxes	35.00%	201,525	(146,597)	116,472	(139)	231,789
14	Deferred Income Taxes		0	0	0	0	0
15	Amortization of ITC		0	0	0	0	0
16							
17	Total Income Taxes		238,278	(173,332)	137,713	(164)	274,061
18							
19	Total Commodity-Related Costs		92,736,365	55,978,552	31,912,727	2,762,144	2,082,942
20	Total Throughput		28,847,540	9,637,652	5,380,137	471,075	13,358,677
21	Commodity Costs ($/Mcf)		$ 3.21471	$ 5.80832	$ 5.93158	$ 5.86349	$ 0.15592
22							
23							
24	Incremental Return @ Equalized ROR		512,655	638,051	(16,134)	18,082	(127,345)
25	Uncollectibles/PSC Fees		5,593	6,961	(176)	197	(1,389)
25	Incremental Income Taxes		326,387	406,222	(10,272)	11,512	(81,075)
26							
27	Total Commodity-Related Costs @ Equalized ROR		93,581,000	57,029,786	31,886,145	2,791,936	1,873,133
28	Total Throughput		28,847,540	9,637,652	5,380,137	471,075	13,358,677
29	Commodity Costs ($/Mcf)		$ 3.24	$ 5.92	$ 5.93	$ 5.93	$ 0.14
30							
31							
32	Incremental Return @ Proposed Rates		512,633	(372,381)	352,577	3,177	529,260
33	Uncollectibles/PSC Fees		5,593	(4,063)	3,847	35	5,774
33	Incremental Income Taxes		326,374	(237,080)	224,472	2,022	336,960
34							
35	Total Commodity-Related Costs @ Proposed Rates		93,580,965	55,365,028	32,493,624	2,767,377	2,954,937
36	Total Throughput		28,847,540	9,637,652	5,380,137	471,075	13,358,677
37	Commodity Costs ($/Mcf)		$ 3.24	$ 5.74	$ 6.04	$ 5.87	$ 0.22

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

TOTAL COST OF SERVICE

		Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
		$				
1	Rate Base	252,914,292	187,113,245	45,302,895	2,767,407	17,730,745
2						
3	Return @ Realized ROR	13,460,079	3,206,394	4,497,528	24,158	5,731,999
4	O&M Expenses	116,962,934	77,015,435	35,119,567	3,034,701	1,793,230
5	Depreciation Expense	16,518,181	12,470,786	3,041,148	185,850	820,397
6	Taxes, Other	4,662,683	3,329,268	935,927	64,313	333,175
7						
8	Interest Expense	7,536,846	5,575,975	1,350,026	82,469	528,376
9						
10	Income Taxes:					
11						
12	State Income Taxes	581,660	(232,692)	309,084	(5,726)	510,994
13	Federal Income Taxes	3,189,433	(1,275,928)	1,694,809	(31,398)	2,801,951
14	Deferred Income Taxes	0	0	0	0	0
15	Amortization of ITC	0	0	0	0	0
16						
17	Total Income Taxes	3,771,093	(1,508,620)	2,003,892	(37,124)	3,312,945
18						
19	Total Cost of Service @ Realized ROR	155,374,969	94,513,264	45,598,062	3,271,898	11,991,745
20						
21						
22	Incremental Return @ Equalized ROR	8,113,510	12,754,365	(633,191)	211,902	(4,219,566)
23	Uncollectibles/PSC Fees	88,520	139,153	(6,908)	2,312	(46,036)
24	Incremental Income Taxes	5,165,557	8,120,210	(403,128)	134,909	(2,686,434)
25						
26	Total Cost of Service @ Equalized ROR	168,742,556	115,526,992	44,554,835	3,621,021	5,039,708
27						
28						
29	Incremental Return @ Proposed Rates	8,113,176	5,076,925	2,168,253	98,646	769,351
30	Uncollectibles/PSC Fees	88,517	55,390	23,656	1,076	8,394
30	Incremental Income Taxes	5,165,344	3,232,281	1,380,443	62,804	489,816
31						
32	Total Cost of Service @ Proposed Rates	168,742,006	102,877,861	49,170,414	3,434,425	13,259,305

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

SUMMARY OF RESULTS

			Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
			$				
8	Operating Revenues		155,374,969	93,601,821	45,258,302	3,258,958	13,255,887
10	Operating Expenses:						
12	Operating & Maintenance		116,962,934	76,763,540	35,033,641	3,033,287	2,132,465
13	Depreciation & Amortization		16,518,181	12,296,216	2,976,204	186,993	1,058,768
14	Taxes Other Than Income		4,662,683	3,252,154	902,743	62,466	445,320
16	Total Operating Expenses		138,143,797	92,311,910	38,912,586	3,282,726	3,636,573
18	Income Before Taxes		17,231,171	1,289,911	6,345,714	(23,768)	9,619,314
20	Interest Expense		7,536,846	5,447,569	1,297,631	80,354	711,292
22	Income Taxes:						
24	State Income Taxes	6.00%	581,650	(249,459)	302,885	(6,247)	534,481
25	Federal Income Taxes	35.00%	3,189,433	(1,367,869)	1,660,819	(34,256)	2,930,739
26	Total Deferred Income Taxes		0	0	0	0	0
27	Amortization of ITC		0	0	0	0	0
29	Total Income Taxes		3,771,093	(1,617,329)	1,963,704	(40,503)	3,465,220
31	Net Income		13,460,079	2,907,240	4,382,010	16,735	6,154,093
33	Total Rate Base		252,914,292	182,804,320	43,544,670	2,696,429	23,868,873
35	Rate of Return		5.3220%	1.5904%	10.0633%	0.6207%	25.7829%
36	Relative Rate of Return		1.00	0.30	1.89	0.12	4.84
38	Equalized ROR:						
40	Net Income Increase		8,113,510	12,685,969	(667,650)	213,270	(4,118,079)
41	Uncollectibles/PSC Fees	0.6622%	88,520	138,407	(7,284)	2,327	(44,929)
42	Income Taxes		5,165,557	8,076,664	(425,067)	135,781	(2,621,821)
43	Gross Revenue After Increase		168,742,556	114,502,881	44,158,302	3,610,336	6,471,058
44	Revenue Increase		13,367,588	20,901,039	(1,100,000)	351,377	(6,784,829)
45	Rate of Return		8.5300%	8.5300%	8.5300%	8.5300%	8.5300%
46	Relative Rate of Return		1.00	1.00	1.00	1.00	1.00
47	Percent Increase		8.5465%	22.1819%	-2.4144%	10.7105%	-50.8446%
49	Proposed Rate Levels:						
51	Net Income Increase		8,113,176	5,078,925	2,168,253	98,646	769,351
52	Uncollectibles/PSC Fees		88,517	55,390	23,656	1,076	8,394
53	Income Taxes		5,165,344	3,232,281	1,380,443	62,804	489,816
54	Gross Revenue After Increase		168,742,005	101,966,418	48,830,654	3,421,485	14,523,448
55	Revenue Increase		13,367,037	8,364,597	3,572,352	162,527	1,267,561
56	Rate of Return		8.5299%	4.3676%	15.0428%	4.2791%	29.0062%
57	Relative Rate of Return		1.00	0.51	1.76	0.50	3.40
58	Percent Increase		8.5481%	8.8772%	7.8410%	4.9541%	9.4989%

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

SUMMARY OF CUSTOMER COSTS

			Total Company $	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
1	Rate Base		203,124,068	163,053,819	34,146,782	1,853,527	4,069,941
2							
3	Return @ Realized ROR		10,810,247	3,199,059	3,475,412	(3,167)	4,138,943
4	O&M Expenses		24,012,548	20,129,547	3,466,547	269,286	147,167
5	Depreciation Expense		14,582,209	11,479,607	2,607,630	153,712	341,260
6	Taxes, Other		3,021,906	2,448,972	481,306	25,245	66,384
7							
8	Interest Expense		6,053,097	4,859,004	1,017,574	55,235	121,284
9							
10	Income Taxes:						
11							
12	State Income Taxes	6.00%	467,151	(163,006)	241,359	(5,735)	394,533
13	Federal Income Taxes	35.00%	2,561,542	(893,816)	1,323,451	(31,447)	2,163,355
14	Deferred Income Taxes		0	0	0	0	0
15	Amortization of ITC		0	0	0	0	0
16							
17	Total Income Taxes		3,028,693	(1,056,822)	1,564,810	(37,183)	2,557,887
18							
19	Total Customer-Related Costs @ Realized ROR		55,455,602	36,200,363	11,595,705	407,893	7,251,642
20	Total Demand-Related Costs @ Realized ROR		7,183,001	1,581,013	1,833,141	96,623	3,672,224
21	Total Fixed Costs		62,638,604	37,781,376	13,428,846	504,516	10,923,866
22							
23	Total Customers		2,078,493	1,846,837	226,666	2,396	2,594
24	Customer Costs ($/customer/month)		$ 30.14	$ 20.46	$ 59.25	$ 210.57	$ 4,211.21
25							
26							
27	Incremental Return @ Equalized ROR		6,516,236	10,709,432	(562,692)	161,273	(3,791,777)
28	Uncollectibles/PSC Fees		71,094	116,842	(6,139)	1,760	(41,369)
29	Incremental Income Taxes		4,148,635	6,818,280	(358,244)	102,676	(2,414,077)
30							
31	Total Customer-Related Costs @ Equalized ROR		66,191,567	53,844,916	10,668,630	673,602	1,004,418
32	Customers		2,078,493	1,846,837	226,666	2,396	2,594
33	Dollars/Customer/Month		$ 31.85	$ 29.16	$ 47.07	$ 281.14	$ 387.21
34							
35							
36	Incremental Return @ Proposed Rates		6,515,967	5,941,484	1,214,297	89,449	(729,263)
37	Uncollectibles/PSC Fees		71,091	64,823	13,248	976	(7,956)
38	Incremental Income Taxes		4,148,464	3,782,712	773,096	56,949	(464,293)
39							
40	Total Customer-Related Costs @ Proposed Rates		66,191,124	45,989,382	13,596,346	555,267	6,050,130
41	Customers		2,078,493	1,846,837	226,666	2,396	2,594
42	Dollars/Customer/Month		$ 31.85	$ 24.90	$ 59.98	$ 231.75	$ 2,332.36

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

SUMMARY OF DEMAND COSTS

			Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
			$				
1	Rate Base		33,809,759	14,466,738	6,502,293	585,344	12,255,383
2							
3	Return @ Realized ROR		1,799,353	(141,996)	622,044	14,206	1,305,099
4	O&M Expenses		2,472,576	1,057,982	475,526	42,807	896,261
5	Depreciation Expense		1,833,329	784,457	352,586	31,740	664,546
6	Taxes, Other		573,622	245,445	110,319	9,931	207,927
7							
8	Interest Expense		1,007,531	431,109	193,768	17,443	365,210
9							
10	Income Taxes:						
11							
12	State Income Taxes	6.00%	77,757	(56,279)	42,057	(318)	92,297
13	Federal Income Taxes	35.00%	426,366	(308,595)	230,610	(1,743)	506,094
14	Deferred Income Taxes		0	0	0	0	0
15	Amortization of ITC		0	0	0	0	0
16							
17	Total Income Taxes		504,122	(364,874)	272,667	(2,061)	598,391
18							
19	Total Demand-Related Costs @ Realized ROR		7,183,001	1,581,013	1,833,141	96,623	3,672,224
20							
21							
22	Incremental Return @ Equalized ROR		1,084,620	1,376,009	(67,399)	35,724	(259,715)
23	Uncollectibles/PSC Fees		11,833	15,013	(735)	390	(2,834)
23	Incremental Income Taxes		690,535	876,052	(42,910)	22,744	(165,351)
24							
25	Total Demand-Related Costs @ Equalized ROR		8,969,990	3,848,087	1,722,097	155,481	3,244,325
26							
27							
28	Incremental Return @ Proposed Rates		1,084,575	(454,442)	614,833	8,150	916,034
29	Uncollectibles/PSC Fees		11,833	(4,958)	6,708	89	9,994
29	Incremental Income Taxes		690,507	(289,326)	391,441	5,189	583,203
30							
31	Total Demand-Related Costs @ Proposed Rates		8,969,916	832,287	2,846,123	110,050	5,181,456

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

SUMMARY OF COMMODITY COSTS

			Total Company $	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
1	Rate Base		15,980,465	5,283,763	2,895,595	257,558	7,543,550
2							
3	Return @ Realized ROR		850,479	(149,823)	284,554	5,697	710,051
4	O&M Expenses		90,477,810	55,576,011	31,091,568	2,721,173	1,089,058
5	Depreciation Expense		102,643	32,152	15,989	1,541	52,962
6	Taxes, Other		1,067,154	557,738	311,118	27,290	171,009
7							
8	Interest Expense		476,218	157,456	86,289	7,675	224,798
9							
10	Income Taxes:						
11							
12	State Income Taxes	6.00%	36,752	(30,175)	19,470	(194)	47,652
13	Federal Income Taxes	35.00%	201,525	(165,458)	106,758	(1,065)	261,290
14	Deferred Income Taxes		0	0	0	0	0
15	Amortization of ITC		0	0	0	0	0
16							
17	Total Income Taxes		238,278	(195,633)	126,228	(1,259)	308,942
18							
19	Total Commodity-Related Costs		92,736,365	55,820,445	31,829,456	2,754,442	2,332,021
20	Total Throughput		42,314,959	9,637,652	5,380,137	471,075	26,826,095
21	Commodity Costs ($/Mcf)		$ 2.19157	$ 5.79191	$ 5.91611	$ 5.84714	$ 0.08693
22							
23							
24	Incremental Return @ Equalized ROR		512,655	600,528	(37,559)	16,272	(66,586)
25	Uncollectibles/PSC Fees		5,593	6,552	(410)	178	(726)
25	Incremental Income Taxes		326,387	382,333	(23,913)	10,360	(42,393)
26							
27	Total Commodity-Related Costs @ Equalized ROR		93,581,000	56,809,858	31,767,574	2,781,252	2,222,315
28	Total Throughput		42,314,959	9,637,652	5,380,137	471,075	26,826,095
29	Commodity Costs ($/Mcf)		$ 2.21	$ 5.89	$ 5.90	$ 5.90	$ 0.08
30							
31							
32	Incremental Return @ Proposed Rates		512,633	(410,117)	339,123	1,048	582,580
33	Uncollectibles/PSC Fees		5,593	(4,474)	3,700	11	6,356
33	Incremental Income Taxes		326,374	(261,105)	215,906	667	370,906
34							
35	Total Commodity-Related Costs @ Proposed Rates		93,580,965	55,144,749	32,388,185	2,756,168	3,291,863
36	Total Throughput		42,314,959	9,637,652	5,380,137	471,075	26,826,095
37	Commodity Costs ($/Mcf)		$ 2.21	$ 5.72	$ 6.02	$ 5.85	$ 0.12

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

TOTAL COST OF SERVICE

		Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
		$				
1	Rate Base	252,914,292	182,804,320	43,544,670	2,696,429	23,868,873
2						
3	Return @ Realized ROR	13,460,079	2,907,240	4,382,010	16,735	6,154,093
4	O&M Expenses	116,962,934	76,763,540	35,033,641	3,033,267	2,132,485
5	Depreciation Expense	16,518,181	12,296,216	2,976,204	186,993	1,058,768
6	Taxes, Other	4,662,683	3,252,154	902,743	62,466	445,320
7						
8	Interest Expense	7,536,846	5,447,569	1,297,631	80,354	711,292
9						
10	Income Taxes:					
11						
12	State Income Taxes	581,660	(249,459)	302,885	(6,247)	534,481
13	Federal Income Taxes	3,189,433	(1,367,869)	1,660,819	(34,256)	2,930,739
14	Deferred Income Taxes	0	0	0	0	0
15	Amortization of ITC	0	0	0	0	0
16						
17	Total Income Taxes	3,771,093	(1,617,329)	1,963,704	(40,503)	3,465,220
18						
19	Total Cost of Service @ Realized ROR	155,374,969	93,601,821	45,258,302	3,258,958	13,255,887
20						
21						
22	Incremental Return @ Equalized ROR	8,113,510	12,685,969	(667,650)	213,270	(4,118,079)
23	Uncollectibles/PSC Fees	88,520	138,407	(7,284)	2,327	(44,929)
24	Incremental Income Taxes	5,165,557	8,076,664	(425,067)	135,781	(2,621,821)
25						
26	Total Cost of Service @ Equalized ROR	168,742,556	114,502,861	44,158,302	3,610,336	6,471,058
27						
28						
29	Incremental Return @ Proposed Rates	8,113,176	5,076,925	2,168,253	98,646	769,351
30	Uncollectibles/PSC Fees	88,517	55,390	23,656	1,076	8,394
30	Incremental Income Taxes	5,165,344	3,232,281	1,380,443	62,804	489,816
31						
32	Total Cost of Service @ Proposed Rates	168,742,005	101,966,418	48,830,654	3,421,485	14,523,448

Application of Atmos Energy Corporation
For an Adjustment of Rates and Tariff Modifications
Case No. 2013-00148
Attorney General's Responses to Data Requests of Atmos Energy Corporation
Data Requests Relating to Testimony of Glenn A. Watkins

WITNESS RESPONSIBLE:
Glenn Watkins

QUESTION No. 72
Page 1 of 1

Has Mr. Watkins performed any study or analysis relating to whether the revenue generated under the special contract rates is sufficient to cover all variable costs and contribute to the company's fixed costs? If the answer is yes, please provide copies of all such studies or analysis with supporting details and work papers.

RESPONSE:

No. Notwithstanding gas costs, Atmos' variable cost per unit (MCF) is very small. Therefore, Mr. Watkins is reasonably certain that all rates recover at least the variable costs of production.

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

SUMMARY OF RESULTS

			Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
			$				
8	Operating Revenues		153,899,749	93,629,658	45,268,679	3,259,353	11,742,060
10	Operating Expenses:						
12	Operating & Maintenance		116,962,934	77,015,435	35,119,567	3,034,701	1,793,230
13	Depreciation & Amortization		16,518,181	12,470,786	3,041,148	185,850	820,397
14	Taxes Other Than Income		4,662,683	3,329,268	935,927	64,313	333,175
16	Total Operating Expenses		138,143,797	92,815,490	39,096,642	3,284,864	2,946,802
18	Income Before Taxes		15,755,952	814,168	6,172,037	(25,510)	8,795,258
20	Interest Expense		7,536,846	5,575,975	1,350,026	82,469	528,376
22	Income Taxes:						
24	State Income Taxes	6.00%	493,146	(285,708)	289,321	(6,479)	496,013
25	Federal Income Taxes	35.00%	2,704,086	(1,566,635)	1,586,441	(35,525)	2,719,804
26	Total Deferred Income Taxes		0	0	0	0	0
27	Amortization of ITC		0	0	0	0	0
29	Total Income Taxes		3,197,232	(1,852,343)	1,875,762	(42,004)	3,215,817
31	Net Income		12,558,720	2,666,511	4,296,275	16,493	5,579,441
33	Total Rate Base		252,914,292	187,113,245	45,302,895	2,767,407	17,730,745
35	Rate of Return		4.9658%	1.4251%	9.4834%	0.5960%	31.4676%
36	Relative Rate of Return		1.00	0.29	1.91	0.12	6.34
38	Equalized ROR:						
40	Net Income Increase		9,014,869	13,294,249	(431,938)	219,566	(4,067,008)
41	Uncollectibles/PSC Fees	0.6622%	98,354	145,043	(4,713)	2,396	(44,372)
42	Income Taxes		5,739,418	8,463,933	(274,998)	139,739	(2,589,306)
43	Gross Revenue After Increase		168,752,391	115,532,863	44,557,030	3,621,105	5,041,373
44	Revenue Increase		14,852,641	21,903,225	(711,648)	361,751	(6,700,687)
45	Rate of Return		8.5300%	8.5300%	8.5300%	8.5300%	8.5300%
46	Relative Rate of Return		1.00	1.00	1.00	1.00	1.00
47	Percent Increase		9.5869%	23.2386%	-1.5816%	11.0254%	-56.6878%
49	Proposed Rate Levels:						
51	Net Income Increase		8,113,176	5,076,925	2,168,253	98,646	769,351
52	Uncollectibles/PSC Fees		88,517	55,390	23,656	1,076	8,394
53	Income Taxes		5,165,344	3,232,281	1,380,443	62,804	489,816
54	Gross Revenue After Increase		167,266,786	101,994,254	48,841,031	3,421,880	13,009,620
55	Revenue Increase		13,367,037	8,364,597	3,572,352	162,527	1,267,561
56	Rate of Return		8.1735%	4.1384%	14.2696%	4.1606%	35.8067%
57	Relative Rate of Return		1.00	0.51	1.75	0.51	4.38
58	Percent Increase		8.6280%	8.8745%	7.8392%	4.9535%	10.7236%

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

SUMMARY OF CUSTOMER COSTS

			Total Company $	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
1	Rate Base		204,228,603	164,158,635	34,341,323	1,784,153	3,944,492
2							
3	Return @ Realized ROR		10,141,182	2,801,940	3,357,977	(9,053)	3,990,318
4	O&M Expenses		24,115,231	20,230,381	3,483,076	264,428	137,346
5	Depreciation Expense		14,636,238	11,537,830	2,619,775	147,783	330,850
6	Taxes, Other		3,037,281	2,464,248	483,934	24,359	64,739
7							
8	Interest Expense		6,086,012	4,891,927	1,023,371	53,168	117,546
9							
10	Income Taxes:						
11							
12	State Income Taxes	6.00%	398,216	(205,236)	229,257	(6,110)	380,305
13	Federal Income Taxes	35.00%	2,183,553	(1,125,378)	1,257,095	(33,504)	2,085,339
14	Deferred Income Taxes		0	0	0	0	0
15	Amortization of ITC		0	0	0	0	0
16							
17	Total Income Taxes		2,581,769	(1,330,614)	1,486,353	(39,614)	2,465,644
18							
19	Total Customer-Related Costs @ Realized ROR		54,511,700	35,703,785	11,431,114	387,903	6,988,898
20	Total Demand-Related Costs @ Realized ROR		6,744,896	1,972,635	1,949,990	110,953	2,711,318
21	Total Fixed Costs		61,256,597	37,676,420	13,381,105	498,856	9,700,216
22							
23	Total Customers		2,078,277	1,846,837	226,666	2,396	2,378
24	Customer Costs ($/customer/month)		$ 29.47	$ 20.40	$ 59.03	$ 208.20	$ 4,079.15
25							
26							
27	Incremental Return @ Equalized ROR		7,279,518	11,200,792	(428,662)	161,241	(3,653,853)
28	Uncollectibles/PSC Fees		79,421	122,203	(4,677)	1,759	(39,864)
29	Incremental Income Taxes		4,634,587	7,131,110	(272,912)	102,656	(2,326,266)
30							
31	Total Customer-Related Costs @ Equalized ROR		66,505,227	54,157,890	10,724,863	653,559	968,914
32	Customers		2,078,277	1,846,837	226,666	2,396	2,378
33	Dollars/Customer/Month		$ 32.00	$ 29.32	$ 47.32	$ 272.77	$ 407.45
34							
35							
36	Incremental Return @ Proposed Rates		6,551,399	5,801,482	1,209,777	84,072	(543,931)
37	Uncollectibles/PSC Fees		71,477	63,295	13,199	917	(5,934)
38	Incremental Income Taxes		4,171,022	3,693,578	770,218	53,526	(346,300)
39							
40	Total Customer-Related Costs @ Proposed Rates		65,305,599	45,262,141	13,424,308	526,418	6,092,732
41	Customers		2,078,277	1,846,837	226,666	2,396	2,378
42	Dollars/Customer/Month		$ 31.42	$ 24.51	$ 59.23	$ 219.71	$ 2,562.12

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

SUMMARY OF DEMAND COSTS

			Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
			$				
1	Rate Base		32,705,224	16,363,633	7,354,881	662,095	8,324,615
2							
3	Return @ Realized ROR		1,624,012	(44,122)	629,882	17,240	1,021,012
4	O&M Expenses		2,369,892	1,185,744	532,951	47,977	603,220
5	Depreciation Expense		1,779,300	890,249	400,136	36,021	452,894
6	Taxes, Other		558,248	279,312	125,541	11,301	142,093
7							
8	Interest Expense		974,616	487,636	219,175	19,730	248,074
9							
10	Income Taxes:						
11							
12	State Income Taxes	6.00%	63,770	(52,218)	40,331	(245)	75,902
13	Federal Income Taxes	35.00%	349,675	(286,331)	221,150	(1,341)	416,197
14	Deferred Income Taxes		0	0	0	0	0
15	Amortization of ITC		0	0	0	0	0
16							
17	Total Income Taxes		413,445	(338,550)	261,481	(1,586)	492,100
18							
19	Total Demand-Related Costs @ Realized ROR		6,744,896	1,972,635	1,949,990	110,953	2,711,318
20							
21							
22	Incremental Return @ Equalized ROR		1,165,744	1,439,939	(2,510)	39,237	(310,922)
23	Uncollectibles/PSC Fees		12,719	15,710	(27)	428	(3,392)
23	Incremental Income Taxes		742,184	916,754	(1,598)	24,981	(197,952)
24							
25	Total Demand-Related Costs @ Equalized ROR		8,665,543	4,345,038	1,945,854	175,599	2,199,052
26							
27							
28	Incremental Return @ Proposed Rates		1,049,143	(347,822)	603,852	11,439	781,673
29	Uncollectibles/PSC Fees		11,446	(3,795)	6,588	125	8,528
29	Incremental Income Taxes		667,949	(221,444)	384,449	7,283	497,661
30							
31	Total Demand-Related Costs @ Proposed Rates		8,473,434	1,399,574	2,944,879	129,800	3,999,181

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

SUMMARY OF COMMODITY COSTS

			Total Company $	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
1	Rate Base		15,980,465	6,590,977	3,606,691	321,159	5,461,638
2							
3	Return @ Realized ROR		793,526	(91,308)	308,416	8,307	568,111
4	O&M Expenses		90,477,810	55,599,310	31,103,541	2,722,296	1,052,664
5	Depreciation Expense		102,643	42,707	21,237	2,046	36,653
6	Taxes, Other		1,067,154	585,708	326,452	28,653	126,342
7							
8	Interest Expense		476,218	196,411	107,479	9,571	162,757
9							
10	Income Taxes:						
11							
12	State Income Taxes	6.00%	31,160	(28,254)	19,732	(124)	39,806
13	Federal Income Taxes	35.00%	170,858	(154,925)	108,197	(680)	218,268
14	Deferred Income Taxes		0	0	0	0	0
15	Amortization of ITC		0	0	0	0	0
16							
17	Total Income Taxes		202,018	(183,179)	127,929	(805)	258,073
18							
19	Total Commodity-Related Costs		92,643,153	55,953,237	31,887,574	2,760,498	2,041,844
20	Total Throughput		28,847,540	9,637,652	5,380,137	471,075	13,358,677
21	Commodity Costs ($/Mcf)		$ 3.21147	$ 5.80569	$ 5.92691	$ 5.86000	$ 0.15285
22							
23							
24	Incremental Return @ Equalized ROR		569,607	653,518	(765)	19,088	(102,233)
25	Uncollectibles/PSC Fees		6,215	7,130	(8)	208	(1,115)
25	Incremental Income Taxes		362,647	416,070	(487)	12,153	(65,088)
26							
27	Total Commodity-Related Costs @ Equalized ROR		93,581,621	57,029,955	31,886,313	2,791,947	1,873,407
28	Total Throughput		28,847,540	9,637,652	5,380,137	471,075	13,358,677
29	Commodity Costs ($/Mcf)		$ 3.24	$ 5.92	$ 5.93	$ 5.93	$ 0.14
30							
31							
32	Incremental Return @ Proposed Rates		512,633	(376,735)	354,625	3,135	531,609
33	Uncollectibles/PSC Fees		5,593	(4,110)	3,869	34	5,800
33	Incremental Income Taxes		326,374	(239,853)	225,776	1,996	338,455
34							
35	Total Commodity-Related Costs @ Proposed Rates		93,487,753	55,332,539	32,471,844	2,765,663	2,917,707
36	Total Throughput		28,847,540	9,637,652	5,380,137	471,075	13,358,677
37	Commodity Costs ($/Mcf)		$ 3.24	$ 5.74	$ 6.04	$ 5.87	$ 0.22

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2013-00148
Forecasted Test Period: Twelve Months Ended November 30, 2014

TOTAL COST OF SERVICE

		Total Company	Residential	Commercial & Public Authority	Firm Industrial	Interruptible & Transportation
		$				
1	Rate Base	252,914,292	187,113,245	45,302,895	2,767,407	17,730,745
2						
3	Return @ Realized ROR	12,558,720	2,666,511	4,296,275	16,493	5,579,441
4	O&M Expenses	116,962,934	77,015,435	35,119,567	3,034,701	1,793,230
5	Depreciation Expense	16,518,181	12,470,786	3,041,148	185,850	820,397
6	Taxes, Other	4,662,683	3,329,268	935,927	64,313	333,175
7						
8	Interest Expense	7,536,846	5,575,975	1,350,026	82,469	528,376
9						
10	Income Taxes:					
11						
12	State Income Taxes	493,146	(285,708)	289,321	(6,479)	496,013
13	Federal Income Taxes	2,704,086	(1,566,635)	1,586,441	(35,525)	2,719,804
14	Deferred Income Taxes	0	0	0	0	0
15	Amortization of ITC	0	0	0	0	0
16						
17	Total Income Taxes	3,197,232	(1,852,343)	1,875,762	(42,004)	3,215,817
18						
19	Total Cost of Service @ Realized ROR	153,899,749	93,629,658	45,268,679	3,259,353	11,742,060
20						
21						
22	Incremental Return @ Equalized ROR	9,014,869	13,294,249	(431,938)	219,566	(4,067,008)
23	Uncollectibles/PSC Fees	98,354	145,043	(4,713)	2,396	(44,372)
24	Incremental Income Taxes	5,739,418	8,463,933	(274,998)	139,789	(2,589,306)
25						
26	Total Cost of Service @ Equalized ROR	168,752,391	115,532,883	44,557,030	3,621,105	5,041,373
27						
28						
29	Incremental Return @ Proposed Rates	8,113,176	5,076,925	2,168,253	98,646	769,351
30	Uncollectibles/PSC Fees	88,517	55,390	23,656	1,076	8,394
30	Incremental Income Taxes	5,165,344	3,232,281	1,380,443	62,804	489,816
31						
32	Total Cost of Service @ Proposed Rates	167,266,786	101,994,254	48,841,031	3,421,880	13,009,620