

Kentucky Office of Attorney General
Summary of OAG Revenue Requirement and Adjustments
Atmos Energy Corporation
Forecasted Test Period November 30, 2014

Revised Exhibit BCO-2
Revised Schedule A - 1

A Line No.	B Description	C OAG Rev. Req.
1	Rate Base	229,875,011
2	ROR	7.63%
3	Required Return	17,539,463
4	Adjusted Net Income	15,878,573
5	Return Deficiency	1,660,890
6	Conversion Factor	1.647570
7	Required Revenue Increase	2,736,433

Kentucky Office of Attorney General
Detailed OAG Revenue Requirement and Adjustments
Atmos Energy Corporation
Forecasted Test Period November 30, 2014

Revised Exhibit BCO-2
Revised Schedule A - 2

A Line No.	B Description	C Atmos Revenue Requirement	D OAG	E Adj. Increase/(Decrease)	F Net Income	Adjustments
				No.	Revised Adjustments	
					OAG Operating Adjustments:	
1	Rate Base	252,914,292	252,914,292	1	Remove duplicate CSS maintenance fees	\$ 51,262
2	OAG Adjustments		(23,039,281)	2	Remove 2.7% generic inflation factor adj.	\$ 496,907
3	Adjusted Rate Base	252,914,292	229,875,011	3	Adjust SSU and DGO allocated expenses	\$ 1,492,500
4	ROR (1)	8.53%	7.63%	4	Adjust payroll and benefits expense	\$ 1,212,712
5	Required Return	21,573,589	17,539,463	5	Remove 50% of Officer & Man. Incentives	\$ 582,228
6				6	Impute CSS cost savings - expense	\$ 97,599
7	Operating Revenues	155,374,969	155,374,969	7	NOLC - See below for capital adjustment	
8	Operating Expenses + Taxes	141,914,890	141,914,890	8	Reduce bad debt expense per OAG 1-152	\$ 25,048
9	Operating Net Income	13,460,079	13,460,079			
10	OAG Adjustments	-	2,418,494			
11	Adjusted Operating Net Income	13,460,079	15,878,573			
12					Total Operating Adjustments	\$ 3,958,256
13	Return Deficiency (Surplus)	8,113,510	1,660,890		Effective Tax Rate	38.90%
14	Revenue Conversion Factor	1.647570	1.647570		Federal & State Income Tax	\$ (1,539,762)
15					Note 2 - Int. Synchronization	
16					Adjustment to Net Income	\$ 2,418,494
17	Required Revenue Increase/(Decrease)	13,367,579	2,736,433			
18					OAG Rate Base Adjustments:	
19	Revenue	100%	100%	7	Remove Net Operating Loss Carryforward	\$ (22,221,329)
20	Less: Uncollect. Exp.	-0.50%	-0.50%	7	Impute CSS cost savings - capital	\$ (426,751)
21	Less: PSC Fees	-0.1622%	-0.1622%	5	Remove 50% of Officer & Man. Incentives	\$ (391,201)
22	Net Revenues	99.337800%	99.337800%			
23	SIT Rate at 6%	-5.960268%	-5.960268%		Note 2 - Lead Lag True-Up	
24	Income before Fed. Tax	93.377532%	93.377532%		Adjustments to Rate Base	\$ (23,039,281)
25	Fed. Rate at 35%	-32.682100%	-32.682100%			
26	Operating Income %	60.695432%	60.695432%			
27	Gross Revenue Conversion Factor	1.647570	1.647570			
28	Effective Tax Rate	38.90%	38.90%			
29	Note 1 - OAG placeholder ROR				Note 2 - Int. synchronization and lead lagu subject to true-up	

**Kentucky Office of Attorney General
Remove Duplicate CSS Maintenance Fee
Atmos Energy Corporation
Forecasted Test Period November 30, 2014**

**Exhibit BCO-4
Schedule A - 3**

A	B	C
Line	Description	Adjustment
1	OAG Adjustment - remove duplicate maint. fees on legacy CIS	<u>\$51,262</u>

Source: OAG 2-35(b) - Atmos admits to error for duplicate maintenance fees.

**Kentucky Office of Attorney General
Remove 2.7% Generic Inflation Factor
Atmos Energy Corporation
Forecasted Test Period November 30, 2014**

**Exhibit BCO-2
Schedule A - 4**

A	B	C
Line	Description	Amount
1	Source: Mr. Densman's Exhibit JCD-1 cited in OAG 2-51	
2	O&M Subject to Atmos' Inflation Adjustment:	
3	Vehicles & Equip	1,023,400
4	Materials & Supplies	728,046
5	Information Technologies	884,742
6	Telecom	575,631
7	Marketing	303,894
8	Directors & Shareholders & PR	280,098
9	Dues & Donations	203,382
10	Print & Postages	41,595
11	Travel & Entertainment	665,566
12	Training	113,112
13	Outside Services	4,413,095
14	Miscellaneous	(2,838,849)
15	<u>RateMaking Adjustments:</u>	
16	Advertising Adjustments	(72,801)
17	Club Expenses	(1,531)
18	Expense Report Exclusions	(61,908)
19	Rate Case Amortization	105,667
20	O&M Subtotal	\$ 6,363,138
21	Add back negative Miscellaneous Expenses credit amount	\$ 2,838,849
22	Total O&M Expenses subject to Inflation Factor	\$ 9,201,987
23	Atmos General Inflation Factor 2.7%	2.70%
24	Atmos' Estimated Inflation Factor Impact - Forecasted Test Period	\$ 248,454
25	Atmos' Estimated Inflation Factor Impact - Base Period (Note 1)	\$ 248,454
26	OAG Total Adjustment to Remove Inflation Factor of 2.7%	\$ 496,907
27		
28	O&M Not Subject to Atmos' Inflation Adjustment:	
29	Labor	10,154,900
30	Employee Welfare	2,020,881
31	Benefits	5,525,993
32	Insurance (subject to 5% increase, not 2.7% increase)	1,104,442
33	Rent, Maint., & Utilities	1,232,544
34	Provision for Bad Debt	324,479
35	<u>RateMaking Adjustments:</u>	
36	Leases	(28,687)
37	O&M Not Subject to Atmos' Inflation Adjustment	\$ 20,334,552
38		
39	Reconciliation to Atmos' Adjusted O&M Costs:	
40	O&M Not Subject to Inflation Adjustment Above	20,334,552
41	O&M Subject to Inflation Adjustment Above	6,363,138
42	Total O&M per Schedule C.1, page 1	\$ 26,697,690

43
44 Note 1: The forecasted test period inflation factor adjustment was used as a surrogate
45 for the base period because Atmos did not provide supporting documentation or
46 calculations for this adjustment.

Kentucky Office of Attorney General
Adjust SSU and DGO Allocated Expenses
Atmos Energy Corporation
Forecasted Test Period November 30, 2014

Exhibit BCO-2
Schedule A - 5

A	B	C	D	E	F	G	H	I	J	
Line		Most Recent Five Calendar Years					Base Year	Forecast	Atmos Adjustments -	
		2008	2009	2010	2011	2012	7/31/2013	Test Year	to Forecasted	Actual 2012
								11/30/2014	Test Year	
1										
2										
3										
4										
5										
6	Direct O&M - KY	\$12,734	\$14,181	\$11,226	\$13,366	\$12,980	\$13,892	\$13,626		
7	Change Prior Yr.		\$1,447	(\$2,955)	\$2,140	(\$386)	\$912	(\$266)		\$646
8	% Change		11%	-21%	19%	-3%	7%	-2%		5%
9										
10	SSU + DGO	\$10,253	\$10,071	\$9,668	\$9,412	\$10,086	\$10,877	\$13,071		
11	Change Prior Yr.		(\$182)	(\$403)	(\$256)	\$674	\$791	\$2,194		\$2,985
12	% Change		-2%	-4%	-3%	7%	8%	20%		30%
13										
14	Total Expenses	22,987	24,252	20,894	22,778	23,066	24,769	26,697		
15	Change Prior Yr.		\$1,265	(\$3,358)	\$1,884	\$288	\$1,703	\$1,928		\$3,631
16	% Change		6%	-14%	9%	1%	7%	8%		14%
17										
18	SSU and DGO - Atmos proposed increase for combined base and forecast test periods							\$2,985,000		
19	Disallow 50%							50%		
20	OAG Adjustment to remove excessive SSU and DGO allocated expenses							\$1,492,500		

Kentucky Office of Attorney General
Summary of Significant and Unusual Changes in SSU and DGO Expenses
Atmos Energy Corporation
Forecasted Test Period November 30, 2014

Exhibit BCO-2
Schedule A-6

		Source: OAG 1-154 Attachment 1				Base Period	
Line	Acct.	Description	2010	2011	2012	July 2013.	
1		SSU Expenses (Excluding Regular Payroll):					
2	9210	A&G-Office supplies & expense	Software Maintenance	1,102,035	789,099	2,174,663	7,321,080
3	9210	A&G-Office supplies & expense	Employee Broadcast and	0	0	0	531,808
4	9210	A&G-Office supplies & expense	Meals and Entertainment	505,671	605,692	525,203	655,451
5	9250	A&G-Injuries & damages	Insurance Reserve	5,000,000	(4,500,000)	2,000,000	3,300,000
6	9250	A&G-Injuries & damages	Insurance - D&O	8,956,686	10,829,810	12,717,310	3,421,169
7	9250	A&G-Injuries & damages	Insurance - Public Liability	0	0	0	10,459,032
8	9260	A&G-Employee pensions and benefits	Pension Benefits Load	0	0	4,222,286	5,838,280
9	9260	A&G-Employee pensions and benefits	FAS106 Benefits Load	0	0	3,144,028	3,942,786
10	9260	A&G-Employee pensions and benefits	FAS87 O&M for Reg Asset	0	0	-	2,513,469
11	9260	A&G-Employee pensions and benefits	FAS106 O&M for Reg Asset	0	0	(0)	820,840
12	9260	A&G-Employee pensions and benefits	Medical Benefits Load	0	0	0	8,481,247
13	9260	A&G-Employee pensions and benefits	Medical Benefits Variance	0	0	0	(1,886,076)
14	9260	A&G-Employee pensions and benefits	Empr ESOP Benefits Load	0	0	0	1,528,597
15	9260	A&G-Employee pensions and benefits	Empr ESOP Benefits Variance	0	0	0	232,679
16	9260	A&G-Employee pensions and benefits	RSP FACC Benefits Load	0	0	0	147,929
17	9260	A&G-Employee pensions and benefits	RSP FACC Benefits Variance	0	0	0	157,981
18	9260	A&G-Employee pensions and benefits	Basic Life Benefits Load	0	0	0	246,548
19	9260	A&G-Employee pensions and benefits	LTD Benefits Load	0	0	0	394,477
20	9260	A&G-Employee pensions and benefits	Variable Pay & Mgmt Incentive	5,956,023	5,557,378	8,532,660	9,757,548
21	9260	A&G-Employee pensions and benefits	Restricted Stock - Long Term Incentive Plan - Performance	2,943,556	2,764,658	3,274,749	3,835,827
22	9260	A&G-Employee pensions and benefits	RSU-Long Term Incentive Plan - Time Lapse	1,378,039	2,292,092	7,267,953	3,416,147
23	9260	A&G-Employee pensions and benefits	NQ Retirement Cost	8,223,834	9,134,080	7,589,378	10,714,998
24	9302	Miscellaneous general expenses	Directors Retirement Expenses	1,571,814	1,415,134	1,269,786	1,626,711
25		Total Above		35,637,658	28,887,943	52,718,015	77,458,529
26	ALLOCATION OF SSU EXPENSES BELOW BASED ON TOTAL AMOUNTS AT OAG 1-154:						
27	Total Subject to Allocation			108,233,389	105,177,465	117,829,318	123,853,950
28	Total Shared Services			3,439,800	6,404,976	6,437,455	6,178,363
29	Total Shared Services			12,635,115	10,076,981	11,055,220	9,336,462
30				16,074,915		17,492,675	15,514,825
31							
32	Total Allocated Shared Services			1,276,510	2,379,449	2,393,446	2,558,382
33	Total Allocated Shared Services			4,355,324	3,379,819	3,780,546	3,898,834
34	Shared Service Expense Total		Total Shared Services	5,631,834	5,759,268	6,173,991	6,457,216
35							
36	Division General Office (Excluding Regular Payroll):						
37	9230	A&G-Outside services employed	Legal	105,180	147,796	96,122	317,058
38	9260	A&G-Employee pensions and benefits	Variable Pay & Mgmt Incentive Plans	1,052,636	663,200	1,622,385	1,758,790
39	9260	A&G-Employee pensions and benefits	VPP & MIP - Capital Credit	(494,198)	(344,263)	(846,361)	(923,876)
40	9260	A&G-Employee pensions and benefits	Restricted Stock -Long Term Incentive Plan - Time Lapse	88,121	30,030	0	0
41	9260	A&G-Employee pensions and benefits	Restricted Stock - Management Incentive Plan	20,484	10,877	1,726	-
42	9260	A&G-Employee pensions and benefits	Restricted Stock - Long Term Incentive Plan - Performance	190,117	117,724	116,404	142,671
43	9260	A&G-Employee pensions and benefits	RSU-Long Term Incentive Plan - Time Lapse	75,928	115,403	165,250	168,806
44	9260	A&G-Employee pensions and benefits	RSU-Management Incentive Plan	7,210	17,037	47,634	41,506
45		Total Above		1,045,479	757,804	1,203,160	1,504,955
46	Total Division General Office			12,179,718	10,599,227	11,662,297	9,809,762
47	Allocated Total Division General Office			4,198,349	3,554,981	4,005,247	4,042,707

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

Revised Exhibit BCO-2
Revised Schedule A-7
Page 1 of 2

A	B	C	D	E	F	G	H
Line	Description	Expense	Capital	Total Expense & Capital	% Increase Expense	% Increase Total	Reference
1	Kentucky Direct - OAG Adjustment						
2	PAYROLL (with payroll taxes)						
3	Atmos Payroll - Forecasted Test Period	\$5,339,350	\$6,138,968	\$11,478,318			OAG 117 & 120
4	OAG Actual 2012 Payroll	\$4,728,247	\$5,719,869	\$10,448,116			OAG 120
5	Increase from Actual 2012 to Nov. 2014 Forecasted	\$611,103	\$419,099	\$1,030,202	12.92%	9.86%	
6	Disallow 50% of Atmos Forecasted Increase	50%					
7	OAG Adjustment - Payroll	\$305,552					
8	OAG Payroll Increase Allowed for Base and Forecasted Test Period		6.46%				
9							
10	BENEFITS						
11	Atmos Benefits - Forecasted Test Period	\$3,161,528	\$3,634,972	\$6,796,500			OAG 117 & 120
12	OAG Actual 2012 Benefits	\$2,157,841	\$2,296,037	\$4,453,878			OAG 120
13	Increase from 2012 Actual to Nov. 2014 Forecasted	\$1,003,687	\$1,338,935	\$2,342,622	46.51%	52.60%	
14	Disallow 50% of Atmos Forecasted Increase	50%					
15	OAG Adjustment - Benefits	\$501,844					
16	OAG Benefit Increase Allowed for Base and Forecasted Test Period		23.26%				
17							
18	PAYROLL TAXES						
19	Atmos Payroll Taxes - Forecasted Test Period	\$364,805	\$419,434	\$784,239			OAG 120
20	OAG Actual 2012 Payroll Taxes	\$338,313	\$550,944	\$889,257			OAG 120
21	Increase from 2012 Actual to Nov. 2014 Forecasted	\$26,492	-\$131,510	-\$105,018	7.83%	-11.81%	
22	Disallow 50% of Atmos Forecasted Increase	50%					
23	OAG Adjustment - Payroll Taxes	\$13,246					
24	OAG Payroll Tax Increase Allowed for Base and Forecasted Test Period		3.92%				
25							
26	SSU & DGO - OAG Adjustment						
27	PAYROLL						
28	SSU/DGO Payroll - Forecasted Test Period	\$4,815,551	\$1,986,191	\$6,801,742			OAG 120
29	OAG Actual 2012 Payroll	\$4,296,178	\$2,300,690	\$6,596,868			OAG 120
30	Increase from Actual 2012 to Nov. 2014 Forecasted	\$519,373	-\$314,499	\$204,874	12.09%	3.11%	
31	Disallow 50% of Atmos Forecasted Increase	50%					
32	OAG Adjustment - Payroll	\$259,687					
33	OAG Payroll Increase Allowed for Base and Forecasted Test Period		6.04%				
34							
35	BENEFITS						
36	SSU/DGO Benefits - Forecasted Test Period	\$2,364,465	\$2,754,502	\$5,118,967			OAG 120
37	OAG Actual 2012 Benefits	\$2,158,046	\$1,493,042	\$3,651,088			OAG 120
38	Increase from 2012 Actual to Nov. 2014 Forecasted	\$206,419	\$1,261,460	\$1,467,879	9.57%	40.20%	
39	Disallow 50% of Atmos Forecasted Increase	50%					
40	OAG Adjustment - Benefits	\$103,210					
41	OAG Benefit Increase Allowed for Base and Forecasted Test Period		4.78%				
42							
43	PAYROLL TAXES						
44	SSU/DGO Payroll Taxes - Forecasted Test Period	\$390,787	\$117,298	\$508,085			OAG 120
45	OAG Actual 2012 Payroll Taxes	\$332,437	\$172,224	\$504,661			OAG 120
46	Increase from 2012 Actual to Nov. 2014 Forecasted	\$58,350	-\$54,926	\$3,424	17.55%	0.68%	
47	Disallow 50% of Atmos Forecasted Increase	50%					
48	OAG Adjustment - Payroll Taxes	\$29,175					
49	OAG Payroll Tax Increase Allowed for Base and Forecasted Test Period		8.78%				
50							
52	OAG Total Adjustment - Payroll, Benefits & Payroll Taxes	\$1,212,712					
53							
54	Recap of OAG Adjustment:						
55	Atmos Forecasted Test Period Payroll, Benefits & Payroll Taxes	\$16,436,486	\$15,051,365	\$30,195,527			
56	OAG Actual 2012 Payroll, Benefits & Payroll Taxes	\$14,011,062	\$12,532,806	\$25,149,950			
57	Increase from 2012 Actual to Nov. 2014 Forecasted	\$2,425,424	\$2,518,559	\$5,045,577	17.31%	20.06%	
58	Disallow 50% of Atmos Forecasted Increase	50%					
59	OAG Total Adjustment - Payroll, Benefits & Payroll Taxes	\$1,212,712					
60	OAG Payroll and Benefit Increase Allowed for Base and Forecasted Test Period			8.66%			
61							
62	Atmos Only (not including SSU & DGO) - Reconciliation from OAG Adj. (excluding Payroll Taxes) to OAG 1-117 (FR 16(13)(g) which includes Payroll Taxes:						
63	Atmos Only (Excludes SSU & DGO)						
64	Forecasted Test Period Expensed & Capitalized						
65	OAG Adj.		FR 16(13)(g)				
66	OAG 1-120		OAG 1-117	Difference			
67	Payroll Labor	\$11,478,048	\$11,478,317	rounding			
68	Benefits	\$6,796,500	\$6,796,500	\$0			
69	Payroll Taxes	\$784,239	\$364,805	\$419,434			
70	Difference - Atmos error, did not include capitalized payroll taxes at :	\$19,058,787	\$18,639,622	\$419,434			

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

Revised Exhibit BCO-2
Revised Schedule A-7
Page 2 of 2

A	B	C	D	E	F	G	H
Line		Forecasted Test Period					
		Expense	Total Expense & Capital				
	Table BCO-4:						
	Kentucky Direct - OAG Adjustment						
1	OAG Actual 2012 Payroll labor, benefits, and taxes	\$7,224,401	\$15,791,251	Note 1			
2	Atmos Forecasted Payroll labor, benefits, and taxes	\$8,865,683	\$19,059,057	Note 1			
3	Total Atmos Increase Subject to Adj.	\$1,641,282	\$3,267,806				
4	Atmos Proposed Percent Increase	22.72%	20.69%				
5							
6	SSU & DGO - OAG Adjustment						
7	OAG Actual 2012 Payroll labor, benefits, and taxes	\$6,786,661	\$10,752,617	Note 1			
8	Atmos Forecasted Payroll labor, benefits, and taxes	\$7,570,803	\$12,428,794	Note 1			
9	Total Atmos Increase Subject to Adj.	\$784,142	\$1,676,177				
10	Atmos Proposed Percent Increase	11.55%	15.59%				
11							
12	Total Kentucky & SSU/DGO Subject to Adj.	\$2,425,424	\$4,943,983	Note 1			
13	OAG Adjustment at one-half of increase	0.5	18.63%				
14	OAG Proposed Reduction in Payroll Exp.	\$1,212,712					
15							
16	Table BCO-5:						
17	Increase in "Expense"	Atmos Proposed Increase		OAG Proposed Increase			
18	Type of Payroll	Atmos \$	Atmos %	OAG \$	OAG %		
19	Kentucky Direct - Payroll	\$611,103	12.92%	\$305,552	6.46%	Note 1	
20	Kentucky Direct - Benefits	\$1,003,687	46.51%	\$501,844	23.26%	Note 1	
21	Kentucky Direct - Payroll Taxes	\$26,492	7.83%	\$13,246	3.92%	Note 1	
22	SSU & DGO - Payroll	\$519,373	12.09%	\$259,687	6.04%	Note 1	
23	SSU & DGO - Benefits	\$206,419	9.57%	\$103,210	4.78%	Note 1	
24	SSU & DGO - Payroll Taxes	\$58,350	17.55%	\$29,175	8.78%	Note 1	
25	Total Expense Increase Proposed	\$2,425,424	17.31%	\$1,212,714	8.66%		
26	Note: OAG proposes an increase of \$1,212,712, and a decrease of \$1,212,712 (one-half)						
27	to Atmos' proposed total payroll expense increase.						
28							
29							Combined
30		Source: OAG 1-117, FR 16(13)(g), Schedule G-2, Witness: Densman					Change
31	Kentucky Direct - Expensed and Capitalized Payroll	2008	2009	2010	2011	2012	2008-2012
32	Payroll labor	\$9,778,449	\$9,969,050	\$10,299,036	\$10,390,632	\$10,448,116	
33	Benefits	\$4,163,128	\$4,620,359	\$4,596,969	\$4,938,502	\$4,453,878	
34	Payroll taxes	\$816,366	\$993,672	\$950,698	\$936,794	\$889,257	
35	Total	\$14,757,943	\$15,583,081	\$15,846,703	\$16,265,928	\$15,791,251	
36	Amount increase		\$825,138	\$263,622	\$419,225	-\$474,677	\$1,033,308
37	Percent increase		5.59%	1.69%	2.65%	-2.92%	7.00%
38	Average annual increase						1.75%
39							
40	SSU & DGO - Expensed and Capitalized Payroll	2012 Actual	Base Period	Forecasted TP	Forecasted TP		
41	Payroll labor	\$6,596,868	\$5,626,887	\$6,801,742	\$204,874	Note 1	
42	Benefits	\$3,651,088	\$3,194,035	\$5,118,967	\$1,467,879	Note 1	
43	Payroll taxes	\$504,661	\$465,581	\$508,085	\$3,424	Note 1	
44	Total	\$10,752,617	\$9,286,503	\$12,428,794	\$1,676,177		
45	Amount increase		-\$1,466,114	\$3,142,291	\$1,676,177		
46	Percent increase		-13.63%	33.84%	15.59%		
47							
48	Note 1 - See OAG 1-120 and Revised Exhibit BCO-2, Revised Schedule A-7, page 1.						

**Kentucky Office of Attorney General
Remove 50% Incentive Compensation
Atmos Energy Corporation
Forecasted Test Period November 30, 2014**

**Revised Exhibit BCO-2
Revised Schedule A-8**

A	B	C	D	E	F	G	H
Line	Type	Division	Expensed	Capitalized	Total	Alloc. Factor	Source
1	LTIP	SSU and Cust. Support	\$341,555	\$313,712	\$655,267	5.27%	Note 1
2	LTIP	Ky/Mid-States	\$64,933	\$0	\$64,933		Note 1
3	VIPP and MIPP	Div. 2	\$577,206	\$249,607	\$826,813	5.55%	Note 2
4	VIPP and MIPP	Div. 12	\$961	\$426	\$1,387	5.72%	Note 2
5	VIPP and MIPP	Div. 91	\$386,666	\$427,388	\$814,054	50%	Note 2
6	Restricted Stock Plans	Div. 2	\$150,466	\$65,067	\$215,533	5.55%	Note 2
7	Restricted Stock Plans	Div. 12	\$16,587	\$7,344	\$23,931	6%	Note 2
8	Restricted Stock Plans	Div. 91	\$32,569	\$32,569	\$32,569	50%	Note 2
9	Total Incentives before disallowance		\$1,570,943	\$1,096,113	\$2,634,487		
10		Disallow 50%	0.5	0.5	0.5		
11	OAG Original Adjustment to Incentives		\$785,472	\$548,057	\$1,317,244		
12							
13	Original Incentives before disallowance		\$1,570,943	\$1,096,113			
14	Duplicate LTIP inadvertently removed		-\$406,488	-\$313,712			
15	Revised Incentives before disallowance		\$1,164,455	\$782,401			
16		Disallow 50%	0.5	0.5			
17	OAG Revised Adjustment to Incentives		\$582,228	\$391,201			
18							
19	Note 1 - OAG 2-61 Attachment 3						
20	Note 2 - OAG 2-58 Attachment 6						

CONFIDENTIAL

**Kentucky Office of Attorney General
Impute CSS Cost Savings
Atmos Energy Corporation
Forecasted Test Period November 30, 2014**

**Exhibit BCO-2
Schedule A-9
Confidential**

A	B	C	D	E
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1 **CONFIDENTIAL - the only amounts which Atmos specifically identifies as Confidential are**
2 **cost savings from OAG 197 shown below, but because this amount could possibly**
3 **be determined if the other amounts in this adjustment were disclosed, this entire**
4 **adjustment will be treated as Confidential.**

	<u>CSS Costs</u>	
	<u>Capital</u>	
	<u>Costs</u>	
9 Capital cost adjustment:		
10 Total costs before adjustment		
11 Revised costs with adjustment		
12 Adjustment		
13 Remove one-half of costs temporarily		
14 OAG One-Half of Costs/Adjustment		
15 Atmos Kentucky allocation factor		
16 OAG Adjustment for CSS capital costs		
17		
19 Depreciation Expense Adjustment:		
20 OAG Adjustment for CSS capital costs above		
21 Depreciation rate		
22 OAG adjustment for CSS depreciation expense		
23		
24 Atmos claimed cost savings at OAG 1-97:		
25		Specific Confidential:
26 Atmos original claimed savings on Capital Spend of \$47 m		Confidential OAG 2-36
27 Divided by original estimated Capital Spend of \$47 m		Confidential OAG 2-36
28		
29 Atmos final Capital Spend of \$78.9 m		
30 Ratio of savings using Confid. OAG 2-36 above		Confidential OAG 2-36
31 OAG adjustment for updated calculated savings		Confidential OAG 2-36
32 Allocation factor		Confidential OAG 2-36
33 OAG adjustment for Atmos' claimed cost savings		Confidential OAG 2-36
34		
35 OAG - Total Adjustment for Expense Savings		
36 (Includes both Depreciation and Atmos claimed cost savings)		

Kentucky Office of Attorney General
Remove NOLC ADIT
Atmos Energy Corporation
Forecasted Test Period November 30, 2014

Exhibit BCO-2
Schedule A-10

A	B	C	D	E	F	G	H	I	J	K
Line				Staff 1-59	Staff 1-47	AG 2-78	KY		Staff 1-59	Staff 1-47
1	Div.	Acct.	Descrip.	NOLC	NOLC		Mid-States	KY Juris.	Allocated	Allocated
2				12/31/2012	12/31/2012		Alloc.	Alloc.	12/31/2012	12/31/2012
3	0.002	1900	Fed. NOL Credit Carryforward - Utility	355,963,785			11.10%	50%	19,755,990	-
4	.010.	1900	Fed. NOL Credit Carryforward - Utility		336,718,783		11.10%	50%	-	18,687,892
5	.010.	1900	Fed. NOL Credit Carryforward - Utility						-	-
6	0.012	1900		-	Div. not provided		10.78%	53.04%	-	
7	0.009	1900		-	Div. not provided		100%	100%	-	
8	0.091	1900	State NOL	3,806,488	3,806,488		100%	50%	1,903,244	1,903,244
9	0.091	1900	Fed. Tax on State NOL	(1,875,810)	(1,875,810)		100%	50%	(937,905)	(937,905)
10				<u>357,894,463</u>	<u>338,649,461</u>	<u>340,724,523</u>			<u>20,721,329</u>	<u>19,653,231</u>
11										
12									1,500,000	1,500,000
13									22,221,329	21,153,231
14										
15									45,893,236	
16									68,114,565	