



October 3, 2016

Talina R. Mathews
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

RE: Case No. 2016-00262

Dear Ms. Mathews,

Atmos Energy Corporation submits for filing the Company's responses to the Commission Staff's second set of informational requests dated September 29, 2016 in the above referenced case.

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

Sincerely,

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

Mark A. Martin
Vice President - Rates & Regulatory Affairs

Enclosures

cc: Randy Hutchinson
Eric Wilen


COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

ELECTRONIC APPLICATION OF)
ATMOS ENERGY CORPORATION) Case No. 2016-00262
FOR PRP RIDER RATES)

AFFIDAVIT

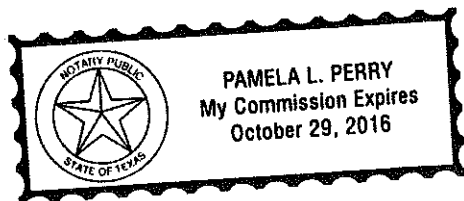
The Affiant, Gregory K. Waller, being duly sworn, deposes and states that the attached responses to Commission Staff's second request for information are true and correct to the best of his knowledge and belief.



Gregory K. Waller

STATE OF TEXAS
COUNTY OF DALLAS

SUBSCRIBED AND SWORN to before me by Gregory K. Waller on this the 3rd day of
October, 2016.





Notary Public

My Commission Expires: 10-29-16

Case No. 2016-00262
Atmos Energy Corporation, Kentucky Division
Staff RFI Set No. 2
Question No. 2-01
Page 1 of 1

REQUEST:

Refer to the application, Exhibit B-1, line 20, Ad Valorem Tax Increase.

- a. Explain how the actual amount of ad valorem tax was determined.
- b. Provide the net change to net plant (line 10) for the period October 1, 2014, through December 31, 2014, based upon Atmos's projections.
- c. Provide the actual amount of net change to net plant for the period October 1, 2014, through December 31, 2014, based upon Atmos's actual amounts.
- d. Explain why the increase in ad valorem tax should not be limited to the net change to net plant for the period October 1, 2014, through December 31, 2014.

RESPONSE:

- (a) The actual amount of ad valorem tax was determined by taking the Net Change to Gross Plant multiplied by the ad valorem rate. Upon review, the Company believes the true-up actual ad valorem rate should be updated to account for Case No. 2013-00148 and to ensure consistency with the Company's approved filing in Case No. 2014-00274, lowering the ad valorem rate from approximately 0.875% to 0.765%. This update is reflected in the attachment for Staff's Second Request for Information, Item 4.
- (b) The Company does not project its PRP spending on a monthly basis in this filing. The Company manages its PRP spending on a fiscal year basis and calculates the revenue requirement to reflect the upcoming fiscal year investment.
- (c) The actual amount of net change to net plant for the period October 1, 2014 through December 31, 2014 is \$6,361,072.
- (d) The Company believes the ad valorem rate for this period for ratemaking purposes should be approximately 0.765% to reflect its latest approved rate case for the period, Case No. 2013-00148. This rate is also the amount used in the Company's approved filing for Case No. 2014-00274. The Company believes it is appropriate to apply this rate to the total amount (12 months) of investment forecasted in this filing. This methodology, which is consistent with the Company's PRP filings since the inception of the program, ensures that the Company recovers the forecasted incremental cost that is associated with the forecasted incremental investment.

Respondent: Greg Waller

Case No. 2016-00262
Atmos Energy Corporation, Kentucky Division
Staff RFI Set No. 2
Question No. 2-02
Page 1 of 1

REQUEST:

Refer to the application, Exhibit F-1, Tax Rates, PSC Assessment. Is Atmos aware that the 2016 PSC Assessment Rate is 0.1901 percent?

RESPONSE:

The Company has updated its Exhibits and the 2016 rate is reflected in the attachment for Staff's Second Request for Information, Item 4

Respondent: Greg Waller

Case No. 2016-00262
Atmos Energy Corporation, Kentucky Division
Staff RFI Set No. 2
Question No. 2-03
Page 1 of 1

REQUEST:

Refer to the response to Staff's First Request for Information, Item 4, Exhibit B, line 20, Ad Valorem Tax Increase.

- a. Explain why the increase in ad valorem tax should not be limited to the net change to net plant for the period October 1, 2016, through December 31, 2016.
- b. Provide a copy of the most recent final Public Service Company ad valorem assessment as determined by the Kentucky Department of Revenue.

RESPONSE:

- (a) Please see the Company's response to Staff's Second Request for Information, Item 1(d).
- (b) Please see Confidential Attachment 1 reflecting the most recent finalized settlement agreement showing the settled 2014 ad valorem value for Kentucky. The Company has not settled its 2015 value at present.

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, Staff_2-03_Att1 - Atmos KY 2014 Settlement (CONFIDENTIAL).pdf, 8 Pages.

Respondent: Greg Waller

Case No. 2016-00262
Atmos Energy Corporation, Kentucky Division
Staff RFI Set No. 2
Question No. 2-04
Page 1 of 1

REQUEST:

Provide updates to any Exhibits in the application and in response to Staff's First Request, Item 4, affected by any changes resulting from this information request for which Atmos is in agreement.

RESPONSE:

Please see Attachment 1.

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, Staff_2-04_Att1 - 2017 Atmos KY PRP Model Final_Updated.xlsx, 18 Pages.

Respondent: Greg Waller

**ATMOS ENERGY CORPORATION
KENTUCKY PIPE REPLACEMENT PROGRAM
SURCHARGE CALCULATION OF FORECASTED ACTIVITY
AS OF OCTOBER 2016 THROUGH SEPTEMBER 2017
SURCHARGE SUMMARY**

Line Number	Tariff Schedule	Customer Charge	Volumetric Charge
1	RESIDENTIAL (Rate G-1)	\$ 1.56	0.0000
2	NON-RESIDENTIAL (Rate G-1)	\$ 5.24	0.0000
3	INTERRUPTIBLE (Rate G-2)	\$ 18.35	
4			0.0590
5			0.0444
6	TRANSPORTATION (T-3)	\$ 23.04	
7			0.0531
8			0.0400
9	TRANSPORTATION (T-4)	\$ 21.49	
10			0.0893
11			0.0553
12			0.0431

ATMOS ENERGY CORPORATION
KENTUCKY PIPE REPLACEMENT PROGRAM
SURCHARGE CALCULATION OF FORECASTED ACTIVITY
AS OF OCTOBER 2016 THROUGH SEPTEMBER 2017
DEFICIENCY

Line Number	Description	Total
1	Project Additions	\$ 38,125,863
2	Project Retirements	(3,653,860)
3	Net Change to Gross Plant	\$ 34,472,003
4		
5	Cost of Removal to Accumulated Depr.	\$ 1,607,031
6	Retirements from Accumulated Depr.	3,653,860
7	Depreciation Accrual to Accumulated Depr.	(389,200)
8	Net Change to Accumulated Depreciation	4,871,692
9		
10	Net Change to Net Plant	\$ 39,343,695
11		
12	Accumulated Deferred Income Taxes	(1,170,849)
13	Net Change to Rate Base	\$ 38,172,846
14		
15	Rate of Return	7.71%
16	Required Operating Income	\$ 2,943,039
17		
18	Depreciation & Amortization Expense	389,200
19	O&M Savings	(22,954)
20	Ad Valorem Tax Increase	338,063
21	Income Taxes on Cost of Service Items	(273,976)
22	Income Taxes on Adjusted Interest Expense	(429,454)
23	Operating Income at Present Rates	\$ 879
24		
25	Deficiency	\$ 2,943,919
26	Tax Factor	60.68%
27	Total Proposed Rate Adjustment	\$ 4,851,679
28		
29	Project Cost True-up	\$ (22,318)
30	Revenue Recovery True-up	\$ 151,991
31	Total True-up	\$ 129,672
32		
33	Total Rate Adjustment Plus True-up	\$ 4,981,351
34		

ATMOS ENERGY CORPORATION
 KENTUCKY PIPE REPLACEMENT PROGRAM
 SURCHARGE CALCULATION OF FORECASTED ACTIVITY
 AS OF OCTOBER 2014 THROUGH SEPTEMBER 2015
 DEFICIENCY

Line Number	Description	Actuals	As Filed	
1	Project Additions	\$ 36,157,899	\$ 36,024,876	
2	Project Retirements	(5,350,183)	(3,770,848)	
3	Net Change to Gross Plant	\$ 30,807,716	\$ 32,254,027	
4				
5	Cost of Removal to Accumulated Depr.	768,542	234,920	
6	Retirements from Accumulated Depr.	5,350,183	3,770,848	
7	Depreciation Accrual to Accumulated Depr.	(415,609)	(445,499)	
8	Net Change to Accumulated Depreciation	5,703,116	3,560,269	
9				
10	Net Change to Net Plant	\$ 36,510,832	\$ 35,814,297	
11				
12	Accumulated Deferred Income Taxes	(1,100,653)	(431,865)	
13	Net Change to Rate Base	\$ 35,410,179	\$ 35,382,432	
14				
15	Rate of Return	7.71%	7.71%	
16	Required Operating Income	\$ 2,730,044	\$ 2,727,905	
17				
18	Depreciation & Amortization Expense	415,609	445,499	
19	O&M Savings	(18,145)	(18,145)	
20	Ad Valorem Tax Increase	235,771	246,840	
21	Income Taxes on Cost of Service Items	(246,328)	(262,261)	
22	Income Taxes on Adjusted Interest Expense	(389,488)	(398,061)	
23	Operating Income at Present Rates	\$ (2,582)	\$ 13,871	
24				
25	Deficiency	\$ 2,727,462	\$ 2,741,776	
26	Tax Factor	60.68%	60.70%	
27	Total Proposed Rate Adjustment	\$ 4,494,951	\$ 4,517,270	
28				
29	2014 approved deficiency	\$ 4,381,785	\$ 4,381,785	
30				
31	Increase in deficiency	\$ 113,166	\$ 135,484	\$ (22,318)

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

RECOVERY SCHEDULE

Line No.	Surcharge Report	Actual Recovery Year	Approved Recovery Amt	Actual Recovery Amt	Over / (Under) Recovered	Carrying Charges	Total Over / (Under)	Weighted Average Cost of Capital	
1	2015	Oct-14	Sep-15	4,381,785	4,240,674	(141,111)	(10,879)	(151,991)	7.71%
2				\$ 4,381,785	\$ 4,240,674	\$ (141,111)	\$ (10,879)	\$ (151,991)	

ATMOS ENERGY CORPORATION
KENTUCKY PIPE REPLACEMENT PROGRAM
SURCHARGE CALCULATION OF FORECASTED ACTIVITY
AS OF OCTOBER 2016 THROUGH SEPTEMBER 2017
ADDITIONS

<u>Line Number</u>	<u>Description</u>	<u>Mains</u>	<u>Services</u>	<u>Meters</u>	<u>Total</u>
1	Current Year: 2017	31,905,306	5,949,044	271,513	38,125,863
4					
5	Total Additions	<u>\$ 31,905,306</u>	<u>\$ 5,949,044</u>	<u>\$ 271,513</u>	<u>\$ 38,125,863</u>

**ATMOS ENERGY CORPORATION
KENTUCKY PIPE REPLACEMENT PROGRAM
SURCHARGE CALCULATION OF FORECASTED ACTIVITY
AS OF OCTOBER 2016 THROUGH SEPTEMBER 2017
RETIREMENTS**

<u>Line Number</u>	<u>Description</u>	<u>Mains</u>	<u>Services</u>	<u>Meters</u>	<u>Total</u>
1	Current Year: 2017	\$1,284,082	2,197,532	172,245	3,653,860
4					
5	Total Retirements	<u>\$ 1,284,082</u>	<u>\$ 2,197,532</u>	<u>\$ 172,245</u>	<u>\$ 3,653,860</u>

ATMOS ENERGY CORPORATION
KENTUCKY PIPE REPLACEMENT PROGRAM
SURCHARGE CALCULATION OF FORECASTED ACTIVITY
AS OF OCTOBER 2016 THROUGH SEPTEMBER 2017
DEPRECIATION EXPENSE

Line Number	Description	Mains	Services	Meters	Total
1	Net Change to Gross Plant	\$ 30,621,224	\$ 3,751,512	\$ 99,268	
2	Depreciation Rates	2.09%	3.47%	8.30%	
3	Proforma Annual Depreciation Expense	\$ 639,984	\$ 130,177	\$ 8,239	\$ 778,400
4					
5	Current Year Change to Net Plant	\$ 30,621,224	\$ 3,751,512	\$ 99,268	
6	Depreciation Rates	2.09%	3.47%	8.30%	
7	Proforma Annual Depreciation Expense	\$ 639,984	\$ 130,177	\$ 8,239	\$ 778,400
8					
9	Depreciation Accrual to Accumulated Depreciation from Prior Approved Filing				\$ -
10	Accumulated Depreciation on Prior Additions (full years depreciation)				-
11	Accumulated Depreciation on Current Additions (half-year convention)				389,200
12					
13	Depreciation Accrual to Accumulated Depreciation				<u>\$ 389,200</u>

Line No		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
1	Book Cost	2,872,867	2,872,867	2,872,867	2,872,867	2,872,867	2,872,867	2,872,867	2,872,867	2,872,867	2,872,867	2,872,867	2,872,867	34,472,003
2	Tax Cost	1,280,154	1,280,154	1,280,154	1,280,154	1,280,154	1,280,154	1,280,154	1,280,154	1,280,154	1,280,154	1,280,154	1,280,154	15,361,843
3	FXA01	<u>\$ (1,592,513)</u>	<u>\$ (1,592,513)</u>	<u>\$ (1,592,513)</u>	<u>\$ (1,592,513)</u>	<u>\$ (1,592,513)</u>	<u>\$ (1,592,513)</u>	<u>\$ (1,592,513)</u>	<u>\$ (1,592,513)</u>	<u>\$ (1,592,513)</u>	<u>\$ (1,592,513)</u>	<u>\$ (1,592,513)</u>	<u>\$ (1,592,513)</u>	<u>\$ (19,110,160)</u>
6	FXA01 Prorated	(1,457,259)	(1,326,367)	(1,191,113)	(1,055,858)	(933,693)	(798,438)	(667,547)	(532,282)	(401,401)	(268,146)	(130,892)	-	(8,761,005)
7	Deferred Rate	36.50%	36.50%	36.50%	36.50%	36.50%	36.50%	36.50%	36.50%	36.50%	36.50%	36.50%	36.50%	
8	FXA01 Tax Effected	<u>\$ (531,899)</u>	<u>\$ (484,124)</u>	<u>\$ (434,756)</u>	<u>\$ (385,388)</u>	<u>\$ (340,798)</u>	<u>\$ (291,430)</u>	<u>\$ (243,655)</u>	<u>\$ (194,287)</u>	<u>\$ (146,511)</u>	<u>\$ (97,143)</u>	<u>\$ (47,775)</u>	<u>\$ -</u>	<u>\$ (3,197,767)</u>
13	Book Depreciation	32,433	32,433	32,433	32,433	32,433	32,433	32,433	32,433	32,433	32,433	32,433	32,433	389,200
14	Tax Depreciation	81,954	81,954	81,954	81,954	81,954	81,954	81,954	81,954	81,954	81,954	81,954	81,954	743,446
15	FXA02	<u>\$ 29,520</u>	<u>\$ 29,520</u>	<u>\$ 29,520</u>	<u>\$ 29,520</u>	<u>\$ 29,520</u>	<u>\$ 29,520</u>	<u>\$ 29,520</u>	<u>\$ 29,520</u>	<u>\$ 29,520</u>	<u>\$ 29,520</u>	<u>\$ 29,520</u>	<u>\$ 29,520</u>	<u>\$ 354,245</u>
17	FXA02 Prorated	27,013	24,587	22,080	19,572	17,308	14,801	12,374	9,857	7,441	4,934	2,426	-	162,403
18	Deferred Rate	36.50%	36.50%	36.50%	36.50%	36.50%	36.50%	36.50%	36.50%	36.50%	36.50%	36.50%	36.50%	
20	FXA02 Tax Effected	<u>\$ 9,869</u>	<u>\$ 8,974</u>	<u>\$ 8,089</u>	<u>\$ 7,144</u>	<u>\$ 6,317</u>	<u>\$ 5,402</u>	<u>\$ 4,517</u>	<u>\$ 3,601</u>	<u>\$ 2,716</u>	<u>\$ 1,801</u>	<u>\$ 886</u>	<u>\$ -</u>	<u>\$ 59,277</u>
22	Incremental Deferred Inc. Taxes and Investment Tax Credits (excluding forecasted change in NOLC)													\$ (3,138,490)
23	Forecasted Change in NOLC													\$ 1,967,641
25	Forecasted ADIT in Rate Base													<u>\$ (1,170,849)</u>
29	Calculation of Change in NOLC													
31														
32	Forecasted Test Period													
33		Schedule												
34	Net Change to Rate Base	Exhibit B												38,172,846
35	Required Operating Income	Exhibit B												2,943,039
36	Interest Deduction	38.9%	Exhibit B											1,103,994
37	Return on Equity Portion of Rate Base		line 36 - line 38											1,639,048
38	Return, grossed up for Income Tax	38.9%	line 40 / (1-tax rate)											3,009,895
39	Tax Expense on Return	38.9%	Line 42 x tax rate											<u>1,170,849</u>
40	Change in ADIT, excluding forecasted change in NOLC		Line 22											(3,138,490)
41	Required Change in NOLC													<u>1,967,641</u>
42	Total Required Change in Accumulated Deferred Income Taxes ¹		Exhibit B											<u>(1,170,849)</u>
43	ADIT Reconciliation													
44	Change in ADIT, excluding forecasted change in NOLC		Line 22											(3,138,490)
45	Change in NOLC		Line 47											<u>1,967,641</u>
46	Forecasted ADIT in Rate Base													<u>(1,170,849)</u>
47	Total Required Change in Accumulated Deferred Income Taxes		Line 57 - Line 53											<u>(1,170,849)</u>

¹ Because the Company is in a NOLC position, the total change in ADIT must equal the tax expenses included in revenue requirement

ATMOS ENERGY CORPORATION
KENTUCKY PIPE REPLACEMENT PROGRAM
SURCHARGE CALCULATION OF FORECASTED ACTIVITY
AS OF OCTOBER 2016 THROUGH SEPTEMBER 2017
DEFERRED INCOME TAXES

Line Number	Description	Mains	Services	Meters	Total
1	Net Change to Gross Plant - Book 2017	\$ 30,621,224	\$ 3,751,512	\$ 99,268	\$ 34,472,003
2	Repairs Percentage	26.57%	14.65%	14.65%	
3	Less: Repairs	\$ (8,135,947)	\$ (549,748)	\$ (14,547)	\$ (8,700,242)
4	Tax Basis Before Bonus	\$ 22,485,276	\$ 3,201,764	\$ 84,721	\$ 25,771,761
5	Bonus Depreciation %	80.90%	80.01%	80.01%	
6	Bonus Depreciation	\$ (9,095,164)	\$ (1,280,862)	\$ (33,892)	\$ (10,409,918)
7	Tax Basis	\$ 13,390,113	\$ 1,920,902	\$ 50,828	\$ 15,361,843
8					
9	FXA01 - Gross	\$ (17,231,111)	\$ (1,830,610)	\$ (48,439)	\$ (19,110,160)
10	Deferred Rate	36.50%	36.50%	36.50%	
11	FXA01 - Tax Effected	\$ (6,289,355)	\$ (668,173)	\$ (17,680)	\$ (6,975,208)
12					
13					
14					
15	Book Depreciation	\$ 319,992	\$ 65,089	\$ 4,120	\$ 389,200
16	Tax Depreciation	\$ 669,506	\$ 72,034	\$ 1,906	\$ 743,446
17					
18	FXA02 - Gross	\$ 349,514	\$ 6,945	\$ (2,214)	\$ 354,245
19	Deferred Rate	36.50%	36.50%	36.50%	
20	FXA02 - Tax Effected	\$ 127,573	\$ 2,535	\$ (808)	\$ 129,300
21					
22					
23	Calculation of Tax Depreciation				
24	Tax Basis	\$ 13,390,113	\$ 1,920,902	\$ 50,828	\$ 15,361,843
25	Tax Depreciation Rates - Year 1	5.00%	3.75%	3.75%	
26	Tax Depreciation 2017	\$ 669,506	\$ 72,034	\$ 1,906	\$ 743,446
27					
28					
29					
30					
31	Tax Rates				
32	Ad Valorem Tax Rate	0.981%			
33	Income Tax Rate	38.900%			
34	State Tax Rate	6.00%			
35	Federal Tax Rate	35.00%			
36	Uncollectible accounts expense	0.50%			
37	PSC Assessment	0.19%			
38	Gross Up Factor	1.6480			

**ATMOS ENERGY CORPORATION
KENTUCKY PIPE REPLACEMENT PROGRAM
SURCHARGE CALCULATION OF FORECASTED ACTIVITY
AS OF OCTOBER 2016 THROUGH SEPTEMBER 2017
RATE OF RETURN**

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

**ATMOS ENERGY CORPORATION
KENTUCKY PIPE REPLACEMENT PROGRAM
SURCHARGE CALCULATION OF FORECASTED ACTIVITY
AS OF OCTOBER 2016 THROUGH SEPTEMBER 2017
O&M SAVINGS**

<u>Line Number</u>	<u>Description</u>	<u>Annual Savings</u>	<u>Cumulative Savings</u>
1	First year 2017 savings	\$ 22,954	\$ 22,954

ATMOS ENERGY CORPORATION
 KENTUCKY PIPE REPLACEMENT PROGRAM
 SURCHARGE CALCULATION OF FORECASTED ACTIVITY
 AS OF OCTOBER 2016 THROUGH SEPTEMBER 2017
 RATE DESIGN

Exhibit I

Case 2015-00343

Line Number	Class of Customers	Rate	Total	Total Dollars	Customer / Ratio	Volumetric Charge Ratio	Revenue increase by Class	Budgeted Volumes	Budgeted Customer Counts	Customer Charge	Volumetric Charge	
1	RESIDENTIAL (Rate G-1)				58.51%		\$ 2,914,415		1,867,805			
2	FIRM BILLS	\$17.50	1,865,637	\$32,648,648		67.42%				\$ 1.56		
3	Sales: 1-300	1.5340	10,286,921	\$15,780,137		32.58%						
4	Sales: 301-15000	0.9500	0	\$0		0.00%						
5	Sales: Over 15000	0.7400	0	\$0		0.00%						
6	CLASS TOTAL (Mcf/month)		10,286,921	48,428,785								
7												
8	NON-RESIDENTIAL (Rate G-1)				24.01%		\$ 1,196,024		228,457			
9	FIRM BILLS	44.50	228,871	\$10,184,760		51.25%				\$ 5.24		
10	Sales: 1-300	1.5340	5,556,242	\$8,523,275		42.89%						
11	Sales: 301-15000	0.9500	1,227,661	\$1,166,278		5.87%						
12	Sales: Over 15000	0.7400	0	\$0		0.00%						
13	CLASS TOTAL (Mcf/month)		6,783,903	19,874,312								
14												
15	INTERRUPTIBLE (G-2)				0.39%		\$ 19,341		154			
16	INT BILLS	375.00	125	\$46,875		14.59%				\$ 18.35		
17	Sales: 1-15000	0.8500	305,158	\$259,384		80.71%		264,791			0.0590	
18	Sales: Over 15000	0.6405	23,620	\$15,129		4.71%		20,495			0.0444	
19	CLASS TOTAL (Mcf/month)		328,778	321,388				285,286				
20												
21	TRANSPORTATION (T-3)				7.96%		396,742		816			
22	TRANSPORTATION BILLS	375.00	833	\$312,375		4.74%				\$ 23.04		
23	Interrupt Transport: 1-15000	0.8500	5,382,091	\$4,574,777		69.39%		5,184,151			0.0531	
24	Interrupt Transport: Over 15000	0.6405	2,662,778	\$1,705,509		25.87%		2,564,848			0.0400	
25	CLASS TOTAL (Mcf/month)		8,044,869	6,592,662				7,748,999				
26												
27	TRANSPORTATION (T-4)				9.13%		454,829		1,524			
28	TRANSPORTATION BILLS	375.00	1,451	\$544,125		7.199%				\$ 21.49		
29	Firm Transport: 1-300	1.5340	428,610	\$657,488		8.699%		442,944			0.0893	
30	Firm Transport: 301-1500	0.9500	5,801,222	\$5,511,161		72.919%		5,995,232			0.0553	
31	Firm Transport: Over 1500	0.7400	1,142,037	\$845,107		11.182%		1,180,230			0.0431	
32	CLASS TOTAL (Mcf/month)		7,371,869	7,557,881				7,618,406				
33												
34	Total Revenue				100.00%		\$ 4,981,351		2,098,755			
35												
36												
37	KY Revenue Requirement										\$	4,981,351

ATMOS ENERGY CORPORATION
 KENTUCKY PIPE REPLACEMENT PROGRAM
 SURCHARGE CALCULATION OF FORECASTED ACTIVITY
 AS OF OCTOBER 2016 THROUGH SEPTEMBER 2017
 CUSTOMERS & VOLUMES

Line Number	Tariff	Description		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total	
<u>Customers</u>																	
1	G-1	Residential	Fiscal 2017 Bud	152,783	153,746	156,788	157,099	158,600	158,600	157,325	158,000	156,386	154,383	151,926	152,170	1,867,805	
2	G-1	Commercial Firm	Fiscal 2017 Bud	16,853	17,083	17,584	17,490	17,731	17,857	17,541	17,632	17,210	17,073	16,740	16,828	207,622	
3	G-1	Public Authority	Fiscal 2017 Bud	1,523	1,521	1,536	1,521	1,557	1,538	1,526	1,541	1,537	1,537	1,482	1,507	18,327	
4	G-1	Industrial Firm	Fiscal 2017 Bud	209	209	209	209	209	209	209	209	209	209	209	209	2,508	
5																	
6	G-2	Commercial Interruptible	Fiscal 2017 Bud	2	3	3	3	3	3	3	4	2	2	2	2	34	
7	G-2	Industrial Interruptible	Fiscal 2017 Bud	10	10	10	10	10	10	10	10	10	10	10	10	120	
8	G-2	Public Authority Interruptible	Fiscal 2017 Bud	-	-	-	-	-	-	-	-	-	-	-	-	-	
9																	
10	T-3	Transportation Interruptible	Fiscal 2017 Bud	68	68	68	68	68	68	68	68	68	68	68	68	816	
11	T-4	Transportation Firm	Fiscal 2017 Bud	127	127	127	127	127	127	127	127	127	127	127	127	1,524	
12				171,575	172,768	176,325	176,527	178,305	178,412	176,809	177,592	175,550	173,409	170,564	170,921	2,098,755	
13																	
14	<u>Volumes</u>																
15																	
16	G-2	Commercial Interruptible	Fiscal 2017 Bud	94	742	2,344	2,220	2,622	2,757	1,478	630	20	18	18	26	12,970	
17	G-2	Industrial Interruptible	Fiscal 2017 Bud	10,289	19,640	29,597	51,043	40,305	16,897	15,263	28,295	25,982	8,219	17,208	9,579	272,317	
18	G-2	Public Authority Interruptible	Fiscal 2017 Bud	-	-	-	-	-	-	-	-	-	-	-	-	-	
19																	
20	T-3	Transportation Interruptible	Fiscal 2017 Bud	579,442	683,827	690,320	638,702	741,752	709,034	713,716	618,283	617,748	584,643	546,248	605,284	7,748,999	
21	T-4	Transportation Firm	Fiscal 2017 Bud	526,711	606,837	634,640	660,828	877,099	797,986	759,045	603,975	553,460	535,404	530,204	532,217	7,618,406	
22				1,116,536	1,311,046	1,356,901	1,372,793	1,661,779	1,526,674	1,489,502	1,251,184	1,197,210	1,128,284	1,093,678	1,147,106	15,652,691	

ATMOS ENERGY CORPORATION
 KENTUCKY PIPE REPLACEMENT PROGRAM
 SURCHARGE CALCULATION OF FORECASTED ACTIVITY

2017 PROJECT DETAILS

Projects	Project Description	No. of services	Installation		Cost of Removal		Retirements	
			Main	Meters	Main	Meters	Main	Meters
2635 PRP, Marlon To Freedom Phase 1	Replace approximately 3.8 miles of bare HPLD @ Distribution main with 15,550' 2" HDPE, 12,850' 4" HDPE and 18,064' 2" PE. Replace Marlon TD Station, Freedom TD Station, 3 new Regulator stations. Approximately \$3 Farm tax involved.	85	6,706,144		282,177			
	Contractor			115,069			6,056	
	Material			15,300	5,950			
	Overhead			26,284	1,196		1,217	
2734 PRP, Atwood St.	Replace 2000' of Bare St. With 2" PE, IP, - Up rate WGL to IP. Replace 20 services.	20	253,691		13,321			
	Contractor			27,075			1,425	
	Material			3,600	1,400			
	Overhead			6,166	281		286	
2734 PRP, C.C Rowanville and High St.	Replace 300' 2" Bare St. with 300' of 2" PE, IP. Replace 3 services.	3	18,067		882			
	Contractor			4,061			214	
	Material			510	210			
	Overhead			925	42		43	
2734 PRP, C.C. 6th. and Blake	Replace 600' of bare 2" Steel with 600' of 2" PE IP. Replace 12 Services.	12	47,361		2,405			
	Contractor			16,245			\$55	
	Material			2,160	840			
	Overhead			3,699	169		172	
2734 PRP, C.C. Edgewood	Replace 1500 feet of bare 2" & 6" LP steel with 1500 feet 2" PE, IP. Replace 12 services.	12	75,690		3,667			
	Contractor			16,245			855	
	Material			2,160	840			
	Overhead			3,699	169		172	
2734 PRP, C.C. Hwy. 73 and Parkway Dr.	Replace 1100' 2" Bare St. IP. With 1100' of 2" PE, IP. Replace 16 services.	16	57,600		2,850			
	Contractor			21,660			1,140	
	Material			2,880	1,120			
	Overhead			4,033	225		229	
2734 PRP, Park and 14th	Replace 147th. Ave. Chestnut St., 137th. Ave., Park St., 6800' Bare St., IP, with 2" PE, IP.; Replace 140 Services.	140	654,623		33,528			
	Contractor			189,325			9,975	
	Material			24,200	9,890			
	Overhead			33,160	1,570		2,905	
2734 PRP, State St.	Replace State St., E. 11th. Ave., E. 19th. Ave., IP, with 2250' 2" PE, and 1700' 4" PE IP.; Replace 66 services.	66	680,014		34,887			
	Contractor			89,343			4,703	
	Material			11,880	4,620			
	Overhead			20,347	925		945	
2735 PRP, Duke Ash St., & Owens St.	Replace 11,225' 2" & 4" Bare St. IP., with 9450' of 2" and 1679' of 4" PE. IP. Remove 6 LP, Reg. Stations. Replace 122 services.	122	1,022,121		52,315			
	Contractor			165,158			8,697	
	Material			21,060	8,540			
	Overhead			37,611	1,717		1,747	
2735 PRP, Old Bardtown Rd.	Replace 6900' of 4" & 6" Bare IP., St., with 4400' of 2" and 2000' of 4" PE, IP. Remove 1 Regulator Station. Replace 53 Services.	53	726,437		37,314			
	Contractor			71,749			3,776	
	Material			9,340	3,710			
	Overhead			16,239	746		759	

ATMOS ENERGY CORPORATION
 KENTUCKY PIPE REPLACEMENT PROGRAM
 SURCHARGE CALCULATION OF FORECASTED ACTIVITY

2017 PROJECT DETAILS

Projects	Project Description	No. of services	Installation			Cost of Removal			Retirements		
			Main	Services	Meters	Main	Services	Meters	Main	Services	Meters
2737 Hierroberg South Mennen Ave.	Replace 8750' of 2" and 5,000' of 4" Bare S/L IP. With 2" & 4" IP. PB. 335 Services Replaced	335	1,525,876			77,120					
	Contractor			453,806				23,369			
	Material			60,300	23,450						
	Overhead			103,275	4,713						4,798
2737 Springfield To Calvey 6" S/L Phase 1	Replace 7.6 miles of 6" and 6.7 miles of 4" IP Steel and install approximately 15.2 miles of 6" HP Steel.		4,746,094			78,060					
	Contractor										
	Material										
	Overhead										
2738 PRP South Central Corvation	Replace 5,781' Bare LP main S. Central Ave, Hotchkiss St., S. Court, Logan St and Westington Ct. Replace Bare main with 3,200' 2" & 2,481' 4" IP PE. Corvation St., the Heistand St., & HBB St. Replace 67 services.	67	552,754			27,949					
	Contractor			39,791				4,774			
	Material			12,050	4,690						
	Overhead			20,655	945						860
2738 PRP, Columbia and Gowdy St.	Replace 5,775' Bare main with 4,592' 2" and 1,183' 4" IP PE. S. Columbia Ave., Gowdy St., Taylor Ave., Risen Ave., Dell Ave. Replace 112 services.	112	535,742			27,622					
	Contractor			151,620				7,040			
	Material			20,140	7,840						
	Overhead			34,528	1,576						1,604
PRP 2734 C.C. Minnesota Alley	Replace 883' of 2" Bare LP steel with 909' 2" PE IP Kenney I-LP Res Station. Replace 7 services.	7	109,897			5,735					
	Contractor			2,476				490			
	Material			1,260	430						
	Overhead			2,158	98						100
PRP. 2734 Montague Ave. Liberty	Replace 4,000' of Bare S/L with 2" PE. on Liberty St., Montague Ave., Franklin St. Replace pole Mounted Regulator Station. Replace 67 services.	67	352,088			17,918					
	Contractor			90,701				4,774			
	Material			12,060	4,690						
	Overhead			20,655	945						965
PRP.2635.Doddwin St	Replace 1,031' of 2" Bare IP Main with 1378' of 2" PE IP on Doddwin St. from Leach St., to 2" PP. near Egan St. Replace 36 services.	36	61,763			3,109					
	Contractor			48,735				2,565			
	Material			6,480	2,520						
	Overhead			11,098	507						516
PRP.2635.Derby St	Replace 280' of 2" Bare IP Main with 2" PE IP on Derby St. Replace 4 services.	4	19,929			1,022					
	Contractor			5,415				285			
	Material			720	230						
	Overhead			1,233	56						57
PRP.2635.Marion North East	Replace 10,189' of 2" bare IP S/L With 2" IP PE on Old Shady Grove Rd., F. Bollwillo St., S. Walker St., Oak St. Replace 97 services.	97	695,588			34,976					
	Contractor			121,314				6,911			
	Material			17,460	6,790						
	Overhead			29,904	1,265						1,389
PRP.2635.Marion South	Replace on South Main 2872' of 4" IP S/L with 4" IP IP, 3976' of 2" IP S/L on Leland Ave. and Leland CT. with 2" IP PE. Replace 60 services.	60	467,258			23,189					
	Contractor			81,255				4,075			
	Material			10,800	4,200						
	Overhead			15,427	844						859

ATMOS ENERGY CORPORATION
 KENTUCKY PIPE REPLACEMENT PROGRAM
 SURCHARGE CALCULATION OF FORECASTED ACTIVITY

2017 PROJECT DETAILS

Projects	Project Description	No. of services	Installation			Cost of Removal			Retirements		
			Main	Services	Meters	Main	Services	Meters	Main	Services	Meters
PRP.2635.North Franklin St.	Replace 440' of 2" bare IP Main with 475' of 2" PE IP on North Franklin St. Replace 9 services.	9	24,808			1,197					
	Contractor			12,184				611			
	Material			4,600	630						
	Overhead			2,775	127			129			
PRP.2636.E. 20th St.	Replace 450' of 2" Bare IP SH. With 2" PE IP. Replace 12 services.	12	18,242			902					
	Contractor			16,215				855			
	Material			2,160	840						
	Overhead			3,629	169			172			
PRP.2636.F. 22nd St.	Replace 1341' 3" Bare SH IP with 2" PE IP on F 22nd St. Replace 32 services.	32	46,707			2,261					
	Contractor			43,320				2,280			
	Material			5,760	2,249						
	Overhead			9,865	459			458			
PRP.2636.West 3rd St	Replace 5255' of Bare 3" & 4" IP SH. W. 3rd St. from Poplar St. to Little Ave. Install 3135' of 6" IP PE. Install 2120' of 2" PE on Castle St., Monroestl., Froyer Ave., Orchard St. Plant St. Replace 108 services.	108	404,444			19,147					
	Contractor			148,205				7,695			
	Material			19,440	7,569						
	Overhead			23,295	1,520			1,542			
PRP.2636.West 5th St	W. 5th, W. 7th. SH. chgms from IP to IP. Install 2373' of 2" IP PE on Elm St., Walnut St. Install 2103' of 6" IP PE on W. 5th. St. Plant St. Replace 78 Services.	70	365,592			17,292					
	Contractor			94,763				4,988			
	Material			18,000	4,909						
	Overhead			21,380	983			1,093			
PRP.2637.Cardinal Point Apts.	Replace 2500' of 2" SH & 4" Bare IP SH. with 1680' 2" & 900' 4" PE IP Cardinal Point Apt Complex, Clay St between N. 27th & 28th. Replace 52 services.	52	190,804			9,487					
	Contractor			70,395				3,705			
	Material			9,360	3,631						
	Overhead			16,034	732			745			
PRP.2637.Glenwood Dr.	Replace 8879' of Bare 2" & 3" IP with 2" PE IP SH. Glenwood Dr., Glenwood Ct., Cloverdale Rd., Deechdale Rd., Avondale Dr., Fairwood Dr., Dundale Rd. Replace 273 services.	273	832,181			41,018					
	Contractor			269,574				19,451			
	Material			49,140	19,110						
	Overhead			84,161	3,841			3,910			
PRP.2637.Like City	Replace 4164 feet of 2 inch steel transmission and 9917 feet of 4 inch steel transmission with 14,700 feet 6 inch SH. and 11,000 feet 2 inch HDPE. Reconnecting to 2 existing Regulator Stations and installation of 1 new Regulator Station. Replacing aged transmission assets with HDPE. Replace 24 services.	25	4,337,156			174,374					
	Contractor			33,844				1,781			
	Material			4,500	1,750						
	Overhead			7,707	352			358			
PRP.2637.Lone Oak HWY 45	Replace 2100' of 4" steel, (1995 pipe) and 40 services from Cave Thomas to Friendship Road. There are 4 leaks on this section of pipe under the new highway. The new pipe will be located in the grassy area parallel to the highway. Replace 40 services.	40	450,724			14,125					
	Contractor			54,150				2,850			
	Material			7,200	2,390						
	Overhead			19,371	563			573			
PRP.2637.N.32nd,Clay,St.	Replace 1730' of 2" and 4725' of 4" Bare IP SH with 2" & 4" PE N32nd. St. Plant Rd. to Clay St., Clay St. N28th. St. to N32nd St., Pines Rd. and Central Ave. Replace 71 services.	71	552,799			25,947					
	Contractor			101,531				5,344			
	Material			13,500	5,750						
	Overhead			24,121	1,033			1,074			
PRP.2637.River Oaks	Replace 4917' of 2", 1750' 4" & 780' 6" Bare IP SH with 2", 4" & 6" IP PE River Oaks Blvd., Spring St., Mauch Ave., Lorino Ln., Ruckner Ave., and N 32nd Pines Rd. to Amick Ave. Replace 150 services.	150	587,148			29,718					
	Contractor			283,063				19,688			
	Material			27,000	10,500						
	Overhead			46,243	2,111			2,148			

ATMOS ENERGY CORPORATION
 KENTUCKY PIPE REPLACEMENT PROGRAM
 SUBCHARGE CALCULATION OF FORECASTED ACTIVITY

2017 PROJECT DETAILS

Projects	Project Description	No. of services	Installation		Cost of Removal		Retirements	
			Main	Services	Meters	Main	Services	Meters
FRP.2638.S.10th.St.	Replace 700' of Bare 2" IP Sd. With 700' of 2" IP PE. on S. 10th St. Replace 8 services.	8	57,076			2,733		
	Contractor			10,839			570	
	Material			1,440	560			
	Overhead			2,466	113		113	
FRP.2734 7th. And Winter	Replace 2580' of Bare Sd. IP. on W. 7th. St. Rea Hrd. with 2" PE. IP. Replace 39 Services.	39	331,682			16,501		
	Contractor							
	Material							
	Overhead							
FRP.2734 C.C. ClairAve. And Hwy 31	Replace 1500' bare Sd.IP. with 1500' of 2" PE. IP. Replace 16 Services.	16	70,457			3,484		
	Contractor			21,660			1,140	
	Material			2,888	1,120			
	Overhead			4,933	275		229	
FRP.2735.6th and 66th	Replace 4,439 ft of bare IP steel with 2,290 ft of 4" and 2,149 ft of 2" PE IP. Replace 41 services.	44	430,362			21,083		
	Contractor			59,565			3,135	
	Material			7,920	3,080			
	Overhead			13,564	619		650	
FRP.2735.Broadway and Kentucky	Replace 10,300 ft of 4" bare steel with 1,890 ft of 4" and 8,500 ft of 2" PE IP. Remove 1 LP reg station. Replace 41 services.	85	941,587			47,667		
	Contractor			115,060			6,056	
	Material			15,206	5,950			
	Overhead			26,204	1,196		1,217	
FRP.2736.Hope.St.	Replace 2,760 ft of 4 in. bare steel with 710 ft of 4 in. HDPE and 2,050 ft of 2" at east main street between Hope and Canal Street. Replace 33 services.	33	257,730			13,392		
	Contractor			44,674			2,351	
	Material			5,940	2,310			
	Overhead			10,173	464		473	

ATMOS ENERGY CORPORATION
KENTUCKY PIPE REPLACEMENT PROGRAM
SUBCHARGE CALCULATION OF FORECASTED ACTIVITY
2017 PROJECT DETAILS

Projects	Project Description	No. of services	Installation			Cost of Removal			Retirements		
			Main	Services	Meters	Main	Services	Meters	Main	Services	Meters
PRP-2736 Kiskadee Bryan Liberty	Replace 16,106' of bare 2" & 4" LP steel with 8,355' of 2" PE and 17,759' 4" PE. E. Virginia St. from E 9th to E 22nd St., Clay St. from E 9th to E 18th St., Kiskadee sq., Hopper Ct., Twyness St., Liberty St., Bryan St., E. 9th St. E. 14th St. E. 16th. Remove 763 services.	263	1,293,003			64,515					
	Contractor			356,036				16,729			
	Material			47,340	18,410						
	Overhead			81,079	3,700			3,766			
PRP-2737 E Main St	Replace 4060' of bare 2" SD 1P with 4060' 2" PE 1P E. Main, Seymore, East Coast, Peach, Maple, E.M.H. Depot Streets. Remove 50 services.	50	491,126			23,104					
	Contractor			67,038				3,563			
	Material			9,000	3,500						
	Overhead			15,414	704			716			
PRP-Greenville Fruit Hill	Replace 2 miles of 8" steel with 10,917 ft of 3 in. HDPE leaving concrete towards Fruit Hill - Replace 12 services.	12	908,839			40,479					
	Contractor			16,245				855			
	Material			2,160	840						
	Overhead			3,699	169			172			
	Contractor		0								
	Material										
	Overhead		0								
	Contractor										
	Material										
	Overhead		0								
	Contractor										
	Material										
	Overhead										
	Contractor										
	Material										
	Overhead										
	Contractor										
	Material										
	Overhead										
Total specific budgeted projects & bare steel functional			31,985,306	4,929,972	224,531	1,339,670	228,561				
Non specific bare steel functional				1,928,972	46,962		47,801				
Total budgeted 2017 projects			31,985,306	6,949,044	271,513	1,339,670	276,361	51,284,892	2,197,532	172,246	